Multnomah County Oregon

Board of Commissioners & Agenda

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OCTOBER 30, 2003
BOARD MEETING

FASTLOOK AGENDA ITEMS OF INTEREST

Pg 2	**8:30 a.m.** Strategic Investment Program
Pg 2	**9:15 a.m.** Homeless Youth Audit Follow-Up
Pg 3	**9:30 a.m.** Employee Service Awards
Pg 3	**9:50 a.m.** Courthouse Blue Ribbon Steering Committee Recommendation/Update
Pg 4	**10:30 a.m.** Portland Development Commission Briefing
Pg 4	**11:30 a.m.** Intergovernmental Agreements with Portland Public School District No. 1 J, Riverdale School District, Victory Middle School, Reynolds School District, Centennial School District, Corbett School District, David Douglas School District, Gresham Barlow School District and Parkrose School District
	November 20 and 27 Meetings are Cancelled

Thursday meetings of the Multnomah County Board of Commissioners are cable-cast live and taped and may be seen by Cable subscribers in Multnomah County at the following times:

Thursday, 8:30 AM, (LIVE) Channel 30
Friday, 11:00 PM, Channel 30
Saturday, 10:00 AM, Channel 30
Sunday, 11:00 AM, Channel 30
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(503) 491-7636, ext. 333 for further info
or: http://www.mctv.org

Tuesday, October 28, 2003 - **8:00 AM - 9:00 AM**
Multnomah Building, Sixth Floor Commissioners Conference Room 635
501 SE Hawthorne Boulevard, Portland

ASSOCIATION OF OREGON COUNTIES DISTRICT 8 MEETING

A quorum of the Multnomah County Board of Commissioners may be attending the Association of Oregon Counties District 8 meeting. This meeting is open to the public. For further information, contact Laura Bridges at 503-988-3308.

Thursday, October 30, 2003 - **8:30 AM**
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

REGULAR MEETING

NON-DEPARTMENTAL - 8:30 AM

B-1 Strategic Investment Program Briefing. Presented by Lisa Goldberg and Invited Others. 45 MINUTES REQUESTED.

B-2 Homeless Youth Audit Follow-Up. Presented by Suzanne Flynn and Sarah Landis. 15 MINUTES REQUESTED.

CONSENT CALENDAR - 9:30 AM
DISTRICT ATTORNEY'S OFFICE

C-1 Budget Modification DA 04-02 in Recognition of Bureau of Justice Administration Project Safe Neighborhoods Grant Award Adding $200,096 to the District Attorney's Office Federal/State Fund

DEPARTMENT OF HEALTH

C-2 Amendment 1 to Funds Allocation Agreement with Multnomah County, CareOregon, Inc., Oregon Community Health Information Network, Inc. (OCHIN) Clackamas County Public Health Division, Virginia Garcia Memorial Health Center, and Klamath Open Door Clinic, Providing for OCHIN to Obtain and Operate the Practice Management System on a Not-for-Profit Basis

DEPARTMENT OF COUNTY HUMAN SERVICES

C-3 Renewal of Government Revenue Contract (190 Agreement) 0410488 with the State of Oregon Department of Human Services, Funding the County's Mental Health Organization (MHO), Verity, to Provide Adolescent and Adult Mental Health Services through the Oregon Health Medicaid Project

DEPARTMENT OF BUSINESS AND COMMUNITY SERVICES

C-4 Government Expenditure Contract (190 Agreement) 4600004511 with the City of Gresham, to Retrofit Existing Sumps and Construct Storm Sump System on SE Stark Street (between SE 181st Avenue and 190th Avenue) in Conjunction with the City of Gresham's SE Stark Street Improvement Project

C-5 RESOLUTION Setting the Public Hearing Date of November 13, 2003, for the Proposed Transfer of a Tax Foreclosed Property to the City of Portland, Parks and Recreation Department for Non-Housing Purposes and Authorizing Publication of the Public Notice

C-6 RESOLUTION Authorizing Cancellation of Uncollectible Personal Property Taxes for Tax Years 1992/93 through 2002/03

REGULAR AGENDA - 9:30 AM
PUBLIC COMMENT - 9:30 AM

Opportunity for Public Comment on non-agenda matters. Testimony is limited to three minutes per person. Fill out a speaker form available in the Boardroom and turn it into the Board Clerk.

DEPARTMENT OF BUSINESS AND COMMUNITY SERVICES - 9:30 AM

R-1 Presentation of Employee Service Awards Honoring 79 Multnomah County Employees with 5 to 35 Years of Service. 30 MINUTES REQUESTED.

R-2 RESOLUTION Approving Project Proposal and Authorization to Proceed with Development of a Project Plan for the Multnomah County Courthouse and Related Facilities. Presented by Courthouse Blue Ribbon Steering Committee Members Nohad Toulan, Pat LaCrosse, Dale Koch, Mike Schrunk, and Doug Butler. 45 MINUTES REQUESTED.

NON-DEPARTMENTAL - 10:30 AM

R-3 Overview and Update on the Activities and Direction of the Portland Development Commission. Presented by Duke Shepard and Invited Others. 1 HOUR REQUESTED.

R-4 Government Expenditure Contract (190 Agreement) 0410534 with Centennial School District, Providing Reporting Requirements and Administrative Procedures to Account for and Distribute the Multnomah County Personal Income Tax

R-5 Government Expenditure Contract (190 Agreement) 0410535 with Corbett School District, Providing Reporting Requirements and Administrative Procedures to Account for and Distribute the Multnomah County Personal Income Tax

R-6 Government Expenditure Contract (190 Agreement) 0410536 with David Douglas School District, Providing Reporting Requirements and Administrative Procedures to Account for and Distribute the Multnomah County Personal Income Tax

R-7 Government Expenditure Contract (190 Agreement) 0410537 with Gresham Barlow School District, Providing Reporting Requirements and Administrative Procedures to Account for and Distribute the Multnomah County Personal Income Tax

R-8 Government Expenditure Contract (190 Agreement) 0410538 with Parkrose School District, Providing Reporting Requirements and Administrative Procedures to Account for and Distribute the Multnomah County Personal Income Tax

R-9 Government Expenditure Contract (190 Agreement) 0410539 with Reynolds School District, Providing Reporting Requirements and Administrative Procedures to Account for and Distribute the Multnomah County Personal Income Tax

R-10 Government Expenditure Contract (190 Agreement) 0410540 with Riverdale School District, Providing Reporting Requirements and Administrative Procedures to Account for and Distribute the Multnomah County Personal Income Tax

R-11 Government Expenditure Contract (190 Agreement) 0410541 with Victory Middle School, Providing Reporting Requirements and Administrative Procedures to Account for and Distribute the Multnomah County Personal Income Tax

R-12 Government Expenditure Contract (190 Agreement) 0410542 with Portland Public School District No. 1 J, Providing Reporting Requirements and Administrative Procedures to Account for and Distribute the Multnomah County Personal Income Tax

DEPARTMENT OF HEALTH - 11:45 AM

R-13 NOTICE OF INTENT to Apply for Grant Funding from the National Association of County and City Health Officials to Enhance the Region's Bio-terrorism Preparedness through the Establishment of an "Advanced Practice Center" within the Department

Commissioner Serena Cruz, District 2
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501 SE Hawthorne, Suite 600
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MEMORANDUM

TO: Chair Diane Linn
Commissioner Maria Rojo de Steffey
Commissioner Lisa Naito
Commissioner Lonnie Roberts
Clerk of the Board Deb Bogstad

FROM: Ivo Trummer
Staff to Commissioner Serena Cruz

DATE: October 30, 2003

RE: Board Meeting

Commissioner Cruz will have to leave the Board Meeting on October 30th early to speak at the National Hispanic Leadership Institute Conference.

Agenda
AOC District 8 Meeting*
October 28, 2003

Multnomah Building, 501 SE Hawthorne Blvd., 6th Floor
Conference Room 635
8:00 am-9:00 am

1. Welcome and Introductions

2. Let's Get To Know Each Other - Discussion of Each County's Financial Structure

3. Working Together Into the Future – Discussion of Mutual Regional Priorities
   - 3 Service Areas
   - 3 Infrastructures

4. Future Meeting Locations/Rotate Location?

5. Agenda Items for District 8 Meeting on 11/18

Next Meeting: Tuesday, November 18 at 7:30 pm
Eugene Hilton, Joplin Seger Room

*District 8 Consists of the Board of Commissioners for Clackamas, Multnomah and Washington Counties

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: October 30, 2003
Agenda Item #: B-1
Est. Start Time: 8:30 AM
Date Submitted: 10/14/03

Requested Date: October 30, 2003 **Time Requested:** 45 mins

Department: Non-Departmental **Division:** Chair's Office

Contact/s: Lisa Goldberg

Phone: 503.988.4765 **Ext.:** 84765 **I/O Address:** 503/600

Presenters: Lisa Goldberg and invited guests

Agenda Title: Strategic Investment Program Briefing

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

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1. **What action are you requesting from the Board? What is the department/agency recommendation?**

   There is no action requested or recommendations offered at this briefing.

2. **Please provide sufficient background information for the Board and the public to understand this issue.**

   In 1995, under the state's Strategic Investment Program (SIP) statute, Multnomah County and the City of Gresham entered into an innovative, performance-based partnership with LSI Logic Corporation, a global semiconductor design and manufacturing firm. The SIP Coordinator provides an annual briefing to the Board on the performance of this SIP partnership. The SIP agreement provides 15-year partial property tax abatement to LSI Logic and requires in turn a variety of commitments from the company regarding employment, wages, benefits, workforce development, and environmental stewardship. As we cross the halfway point in the fifteen-year term of the LSI Logic agreement, we can identify many tangible benefits generated by the SIP, including job creation,

expanded educational opportunities, increased affordable housing, and innovative environmental management practices.

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

There are no fiscal impacts related to this briefing.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain:

- **What revenue is being changed and why?**
- **What budgets are increased/decreased?**
- **What do the changes accomplish?**
- **Do any personnel actions result from this budget modification? Explain.**
- **Is the revenue one-time-only in nature?**
- **If a grant, what period does the grant cover?**
- **When the grant expires, what are funding plans?**

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

If a contingency request, explain:

- **Why was the expenditure not included in the annual budget process?**
- **What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?**
- **Why are no other department/agency fund sources available?**
- **Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.**
- **Has this request been made before? When? What was the outcome?**

If grant application/notice of intent, explain:

- **Who is the granting agency?**
- **Specify grant requirements and goals.**
- **Explain grant funding detail – is this a one time only or long term commitment?**
- **What are the estimated filing timelines?**
- **If a grant, what period does the grant cover?**
- **When the grant expires, what are funding plans?**
- **How will the county indirect and departmental overhead costs be covered?**

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

The SIP is related to economic development policy in that it is a tool that counties may use to provide incentives for capital-intensive industries that are considering making large investments in Oregon.

There are no legal issues involved in this briefing.

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

The City of Gresham is also a party to the SIP agreement.

Required Signatures:

Department/Agency Director: _____ **Date: 10/14/03**

Budget Analyst

By: _____ **Date:**

Dept/Countywide HR

By: _____ **Date:**

Multnomah County Strategic Investment Program

Annual Report on the Performance-Based, Public-Private Partnership Between Multnomah County, the City of Gresham, and LSI Logic

Program Year 2002

Multnomah County Strategic Investment Program (SIP)

Annual Report on the Performance-Based, Public-Private Partnership Between Multnomah County, the City of Gresham, and LSI Logic Corporation
Program Year 2002

Office of Multnomah County Chair Diane Linn
501 SE Hawthorne Blvd., Suite 600
Portland, OR 97214

SIP Coordinator: Lisa Goldberg
SIP Oversight: Duke Shepard

SIP Operating Partners:

- Mt. Hood Community College
- Oregon Department of Environmental Quality
- SE Works One Stop
- Workforce Connections/East County One Stop

This report is produced by Multnomah County and will be available online at www.multnomahsip.org.

Credits:

- Text: Lisa Goldberg
- Consulting Editor: Duke Shepard
- Design: Kevin Kitamura
- Environmental Reporting: Cory-Ann Chang

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Introduction

In 1993 the Oregon Legislature adopted the Strategic Investment Program statute, with the goal of encouraging investment by capital-intensive industries that have the potential to make significant contributions to the local and state economy. The Strategic Investment Program (known as the SIP) provides an opportunity for business and government to work together to bring high-quality jobs and a wide range of benefits to the community. In 1995, under the SIP, Multnomah County and the City of Gresham entered into a performance-based partnership with LSI Logic Corporation, a global semiconductor design and manufacturing firm. Each year, Multnomah County reports on the performance of this Strategic Investment Program partnership. As we cross the halfway point in the fifteen-year term of the agreement, we can identify many tangible benefits generated by the SIP, including a stronger workforce, expanded educational opportunities, increased affordable housing, and innovative environmental management practices.

Throughout the first half of the SIP's duration, economic forces have had a substantial influence on the course and timing of LSI Logic's investment, and the landscape is likely to shift again over the next seven years. Through the ups and downs of the semiconductor industry, LSI Logic has remained in compliance with the provisions of the contract. This report focuses on the activities of LSI Logic for calendar year 2002, highlighting the impacts on our community. As we look ahead to the second half of the term, the county continues to place a high priority on the fulfillment of the objectives originally established in the SIP contract.

Multnomah County also maintains a second SIP agreement, with Microchip Technology, Inc., an Arizona-based semiconductor manufacturing firm. Microchip approached the county in 2002 with plans to purchase the Fujitsu facility in Gresham and reemploy a substantial portion of its high-tech workforce. In August 2002, Multnomah County, the City of Gresham, and Microchip negotiated a seven-year SIP agreement, similar to LSI Logic's but distinct due to the smaller scale of the company's planned investment. A separate report on the Microchip SIP agreement will be produced annually by the county, beginning in 2004.

Comprehensive information on the Multnomah County Strategic Investment Program, including the text of the SIP contracts and previous reports, is available on the Web at www.multnomahsip.org.

Elements of the SIP

In 1995 LSI Logic announced plans to construct a new state-of-the-art fabrication facility, with several locations under consideration, including a Gresham site. Recognizing the positive impact that a new industrial facility would have in the community and the exceptional opportunity that this presented for east Multnomah County, the Board of County Commissioners entered into negotiations with LSI Logic, resulting in an innovative SIP agreement bringing an anticipated $4 billion investment and 2,000 jobs to the county over fifteen years.

Under the terms of the SIP statute, LSI Logic pays property taxes on the first $100 million of assessed property value and receives a tax exemption on assessed valuations above $100 million. The company pays an annual community service fee, equal to 25 percent of the abated taxes up to a maximum of $2 million a year, which is distributed by agreement between Multnomah County and the City of Gresham. The statute also permits the county to impose additional reasonable requirements and fees on a SIP applicant. To guide their implementation of the statute, the Board of County Commissioners created a policy framework establishing clear goals and standards pertaining to specific public priorities. The resulting contract requires LSI Logic to achieve measurable objectives in the following areas:

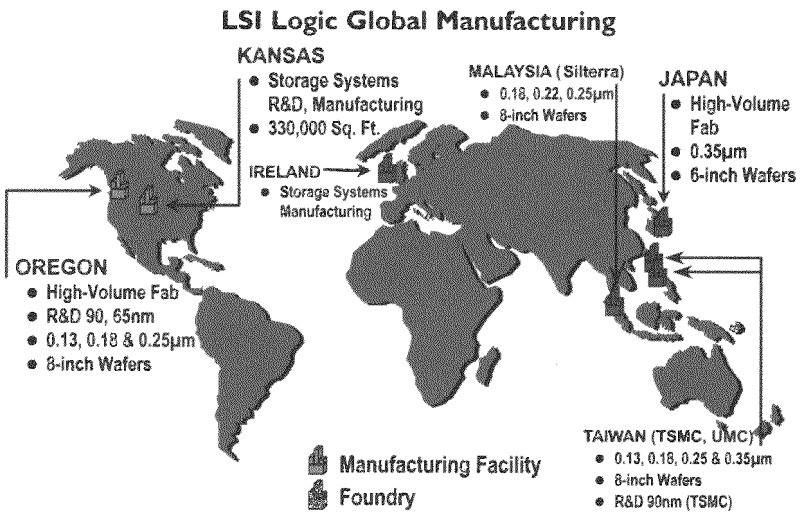
- Job creation
- Wages and benefits
- Entry-level job opportunities for disadvantaged populations
- Additional employee benefits such as transportation and child care assistance
- Employee retention and promotion
- Enhanced workforce development and educational systems
- Increasing affordable housing inventory
- Progressive environmental management with a "no impact" goal
- Local purchasing of goods and services
- Public infrastructure improvements

LSI Logic is responsible for meeting the contractual standards of performance, involvement, and accountability over the fifteen-year life of the agreement. Each year the company reports on its performance to the county's SIP Coordinator.

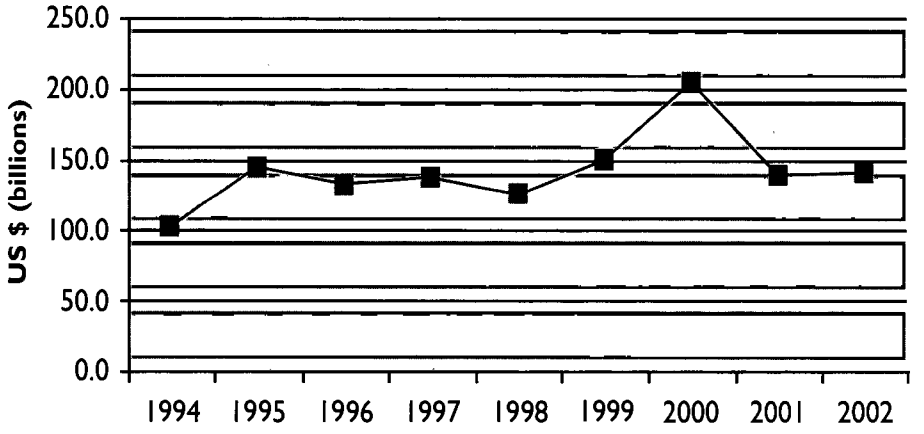
Industry Impacts

Shortly after the SIP agreement was reached, the semiconductor industry entered into a slowdown, forcing the company to scale back its initial investment schedule for construction, hiring, and production. Job creation in the first several years of the agreement was slightly behind the projections established in 1995. However, by late 1998 the industry began to recover and entered a period of substantial growth. High demand created the need for a rapid expansion of LSI Logic's workforce. By the end of 2001, total employment at the Gresham campus was 984, exceeding the target for that year by 23 percent.

The semiconductor industry is by nature cyclical, and in 2001, the industry entered into its second downturn since the inception of the SIP agreement. Company revenues fell 35 percent from 2000 to 2001, and they remained depressed in 2002 as the industrywide recession continued. The difficult economic environment has had a considerable impact on LSI Logic's operations. The company undertook a series of cost-cutting measures in 2001 and 2002,



Global Semiconductor Shipments



Source: Semiconductor Industry Association

including significant reductions in worldwide staffing levels. As a result, manufacturing staff levels at the Gresham campus were lower in 2002 than the previous two years. However, the impact of staff reductions was mitigated by the decision to move the majority of the company's research and development functions from the Milpitas, California, headquarters to Gresham. In 2003, the industry began to stabilize, although the speed and depth of its recovery remain unpredictable.

With the recent announcement that LSI Logic has decided to sell its fabrication facility in Tsukuba, Japan, the Gresham campus will remain as the only company-owned semiconductor manufacturing facility. As the cost and complexity of manufacturing equipment and processes continue to grow, LSI Logic's domestic production, now centralized at the Gresham campus, will continue to be supplemented by contracts with overseas "foundries"—firms that do not design chips but manufacture designs under contract with other companies. Currently LSI Logic estimates that 20 percent of its manufacturing is externally contracted and 80 percent is produced internally. Over time, a shift to greater use of foundries is planned, with potentially up to 50 percent of production ultimately outsourced. Multnomah County will continue to pay close attention to this issue to ensure that the SIP agreement is not compromised.

Community Partnerships

LSI Logic has developed a strong presence in east Multnomah County and has been an important partner in providing leadership on the state and local levels. The company plays a key role in the East Metro Economic Alliance, a coalition of business and government leaders, and is the City of Gresham's fifth-largest employer and second-largest manufacturing employer. As a founding board member of the Oregon Science and Technology Project—a partnership between government, university, and industry to promote economic development—Joe Zelayeta, LSI Logic's Executive Vice President for Worldwide Operations, contributes his expertise to the development of the science and technology industry in east Multnomah County.

LSI Logic has also been an active participant in the new Center for Advanced Learning (CAL) since its inception. Located in Gresham, the CAL is a charter school serving five east county school districts. It offers advanced, project-based learning to high-school students, focusing on three science and technology-based fields: information technology, medical/health sciences, and engineering/advanced manufacturing. As the CAL has developed, staff from LSI Logic have played a critical role in describing industry standards and helping to develop outcomes in the area of engineering and advanced manufacturing.

"The management team at LSI Logic provides an enormous amount of leadership at the state and local levels. They are working with us to develop ideas about how we can use our available land to cultivate synergistic businesses to complement the semiconductor industry. LSI Logic has boosted Gresham's profile and is a vital economic asset to the city."

Shelly Parini
Economic Development Manager
City of Gresham

Performance at a Glance

	Meets	Exceeds	Correction Required	Completed or N/A
Job Creation				
Contract Employees[1]	✓			
Retention		✓		
Promotion	✓			
Wage Ranges		✓		
Weighted Avg. Payroll		✓		
Employer Paid Benefits	✓			
Employee Health Care Costs	✓			
Health Care Coverage	✓			
First Source Agreement (FSA)	✓			
FSA Funding[2]				✓
Child Care				
Subsidies	✓			
Providers	✓			
Shift Accommodation Plan	✓			
Survey[3]	✓			
Transportation				
TriMet Passes		✓		
Carpool Spaces		✓		
Alternative Option	✓			
Bike Racks, Facilities	✓			
Guaranteed Ride Home	✓			
Employee Information	✓			

[1] Due to economic conditions, Multnomah County and LSI Logic are currently discussing modifications to the contract worker provisions of the SIP contract.
[2] No FSA payments were required in 2002.
[3] Another employee child care survey will be completed by LSI Logic no later than December 31, 2003.

Performance at a Glance

	Meets	Exceeds	Correction Required	Completed or N/A
Community Service Fee	✓			
Additional Contributions				
Strategic Workforce Development Program		✓		
School-to-Work	✓			
Entry-Level Training[4]				✓
Ongoing Employee Education		✓		
Funding for Training and Education	✓			
Housing	✓			
Community Resources Fund[5]				✓
Local Procurement	✓			
Infrastructure and Public Service	✓			
Environmental Management System				
Toxics/ Hazardous Material Minimization		✓		
Water Conservation and Quality		✓		
Air Quality	✓			
Solid Waste Reduction/Recycling		✓		
Energy Conservation		✓		

[4]No entry-level employees were hired in 2002; therefore no CORE training program was offered.
[5]Community Resources Fund payments totaling $450,000 were required for the first three years of the SIP agreement; in 1997 the final payment was received and the obligation was met.

Employee Profile

A month after her graduation from Centennial High School in Gresham, Becky Chambers entered LSI Logic's eight-week training program for entry-level manufacturing specialists. Earlier that year she had taken a class at the Microelectronics Training Center at Mt. Hood Community College in order to complete a required science credit—and unexpectedly found herself intrigued by the microelectronics field. After a class visit to LSI Logic's Gresham campus and encouragement from a high school counselor, she decided to apply for a position. For Becky, the process began at Workforce Connections One Stop Career Center, a SIP partner agency. She was hired, and four years later, through LSI Logic's tuition reimbursement program, she recently completed her bachelor's degree in management and organizational leadership at George Fox University. The flexibility of her managers enabled her to adjust her schedule so she could complete the degree.

Becky really appreciates the camaraderie and support she finds in the working environment at LSI Logic. She hopes to take advantage of the newly instituted internal internship program, which allows employees who participate in ongoing education to job shadow in an area that interests them. Becky, who has been promoted twice and is now a Manufacturing Specialist III, is looking toward the future with her eye on moving into a supervisory role as she continues her career with LSI Logic.

"If you want to learn something new, you have that option here. I've had the opportunity to move into different departments in order to expand my skills and experience within the company."

Becky Chambers
Four-year LSI Logic employee

Employment

At year end, the total headcount at the Gresham campus was 829. This included 630 manufacturing workers and 199 other staff. While this represents a 16 percent reduction in staff from a high of 984 at the end of 2001, the impact of worldwide company workforce reductions on the Gresham campus was proportionately smaller than at other company locations. Thirty-one employees were transferred in from other locations, increasing the non-manufacturing-related activity at the Gresham campus, including research and development.

Wages

LSI Logic 2002 payroll: $34.8 million (not including fringe costs)

Average wages:

Nonexempt:	$43,523
Exempt:	$89,871

Multnomah County average covered wage (2002): $38,239[1]
LSI weighted average payroll (total payroll divided by # of employees): $41,978

Job Classification	Average Salary	2002 Salary Range	Contractual Goal Range
Administrative	$41,677	$32,011 – $54,517	$17,000 – $34,000
Technician	$53,283	$30,701 – $74,838	$20,000 – $50,400
Manufacturing	$31,787	$20,869 – $71,250	$13,600 – $33,600
Professional	$86,397	$31,491 – $188,125	$26,000 – $62,000
Engineering	$79,448	$50,000 – $128,911	$33,000 – $85,000

The base hourly wage for an entry-level Operator was $9.50 (unchanged from 2001), which results in an actual wage of $11.02 when compressed shift and scheduled overtime rates are applied.

[1] "Multnomah County 2002 Covered Employment and Wages Summary Report," State of Oregon Employment Department Website (www.qualityinfo.org).

Promotion and Retention

During the first part of 2002, LSI Logic maintained a freeze on salary adjustments and bonus programs, as part of its comprehensive cost-reduction strategy. Beginning in July, a special salary adjustment program provided opportunities for promotions and salary increases for employees with exceptional performance. In the Operator I and II categories, 152 employees were promoted and 32 received special salary adjustments. Thirteen technicians were promoted and four received special salary adjustments.

The SIP agreement stipulates a goal of 70 percent retention for regular full-time employees, except for those terminated for cause or who voluntarily resign for reasons other than inadequacy of child care, transportation, or housing. LSI Logic has established a goal of less than 10 percent turnover at its Gresham facility. In 2002, the actual turnover was 5.5 percent, translating to a retention rate of 94.5 percent and well above the minimum goal set out in the SIP agreement.

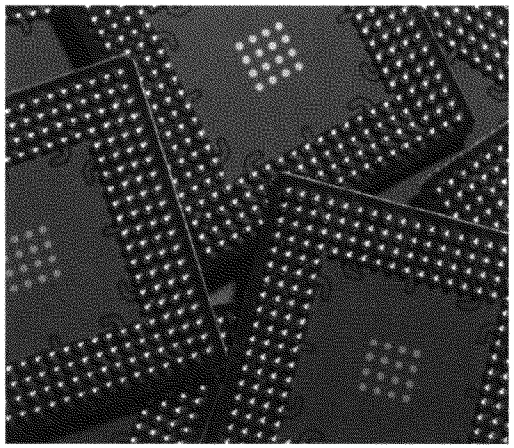
Benefits

LSI Logic provides a comprehensive benefits package to all of its full-time employees, and to part-time employees, on a pro rata basis. Benefits include an option of several health plans; dental, vision, and mental health coverage; an employee assistance program; tuition reimbursement for ongoing education; child care discounts; free TriMet passes; and other transportation benefits.

Through the ATIP (Alternative Transportation Incentive Program), LSI Logic provides incentives to employees to encourage carpooling and the use of alternative modes of transportation. The company raises awareness about alternative transportation options available to employees on an ongoing basis, through campuswide emails, the company's internal website, and periodic resource fairs. Employees receive gift certificates for their participation in the program, while helping the company meet its environmental goal of reducing car trips and associated pollution.

Ongoing Employee Education

LSI Logic encourages ongoing education and career development among its employees, providing financial support through a tuition reimbursement policy and a work environment that supports continued learning. Tuition reimbursement is 100 percent for state colleges and universities and 50 percent for private educational institutions. The number of employees taking advantage of continuing education opportunities has steadily increased over the past five years. Currently the Gresham campus leads the company in the percentage of its workers taking advantage of continuing education opportunities.



In 2002, 129 employees received tuition reimbursement in the following degree programs:

- 63 for two-year degree
- 58 for four-year degree
- 8 for post-graduate degree

First Source Hiring Agreement

The state SIP statute requires that any company entering into a SIP agreement must also enter into a first-source hiring agreement (FSA) to ensure that local residents have access to SIP-created jobs. The FSA requires that the county designate a publicly funded job-training entity or entities to perform recruitment and screening services for specified entry-level positions. To fulfill the objectives of the FSA, the SIP has developed successful partnerships with two local One Stop Career Centers, Workforce Connections and SE Works.

One Stop Career Centers are workforce development centers that provide a wide variety of employment-related services to job seekers and employers throughout Portland and the state of Oregon. As community-based agencies that are also part of a regional system, they gather in one location extensive resources to meet the needs of their local populations. Workforce Connections and SE Works, serving east Multnomah County and SE Portland respectively, have been involved in LSI Logic recruitment since the inception of the SIP. By tapping into the existing workforce development system, the SIP provides access to quality jobs for residents in these neighborhoods and leverages the federal workforce training dollars that in large part fund the operations of the One Stops.

The county and its One Stop partners are responsible for supplying candidates that are qualified and meet LSI Logic's hiring requirements. The success of the partnerships rests in several areas: clear knowledge of the requirements for entry-level candidates, resulting in referral of qualified applicants; commitment to providing the needed training and support to help applicants succeed in the recruitment process and on the job; and an extensive history with the SIP, allowing the One Stops to respond quickly to the company's needs. Coordination and oversight of recruitment activities, previously contracted through Worksystems Inc., now resides directly with the county.

Expanding One Stop Utilization

One benefit of the SIP has been the increased use and awareness of our local One Stop Career Centers. As the access points for entry-level jobs at LSI Logic, SE Works and Workforce Connections have worked with over 1,000 potential applicants for these positions. This has given the One Stops an opportunity to familiarize many people with the wide range of services they offer. Through an introduction made by LSI Logic's human resources (HR) department, SE Works began to work with one of the subcontractors at LSI's Gresham campus, ServiceMaster Inc., to provide recruitment and referral services. Other subcontractors have expressed interest in working with the One Stops in the future, bringing further opportunities for partnership based on the relationships built through the SIP. Strengthening the connection, a member of LSI Logic's HR staff joined the board of directors of SE Works in 2002.

Workforce Development

The SIP contract articulates four primary workforce development goals for Multnomah County: (1) to build a world-class workforce that possesses the full range of skills necessary to attract and sustain competitive, high-performance companies; (2) to graduate all children from high school with skills enabling them to succeed in the workforce and/or in post-secondary education; (3) to establish stronger educational programs beyond the secondary level to meet the region's needs for accessible education, expanded graduate programs, high-quality research, technology transfer, and economic development; and (4) to provide educational opportunities to enhance upward mobility for today's workforce, in both technical and management roles. LSI Logic continues to be an active partner in the effort to achieve these goals.

Microelectronics Training Center

LSI Logic is contractually required to contribute to start-up and ongoing costs for a strategic workforce development program to further the county's workforce goals. To meet this requirement, LSI Logic assisted in the development of and provides operating funds to the Microelectronics Training Center (MTC) at Mt. Hood Community College (MHCC). In 2002, LSI Logic made a payment of $74,900 to the college for operating costs associated with the MTC. The MTC's mission is to provide semiconductor-related training to both the employees of SIP-participating companies and the future workforce, with the goal of creating a qualified emerging workforce to meet local semiconductor employers' needs.

Since 1996 almost 600 new LSI Logic employees have been trained at the MTC. Over 2,500 students and 200 teachers have worn cleanroom gowns ("bunnysuits") and toured the MTC's simulated cleanroom. LSI Logic outfitted the MTC's state-of-the-art computer lab, including thirty-one computers, monitors, printers, an LCD projector, servers, chairs, and various upgrades estimated to be worth a total of more than $105,000. LSI Logic additionally contributes five $1,000 scholarships annually to the MHCC Foundation for students studying in high-tech and associated programs and is represented on the MHCC Foundation board of directors.

Career Pathway Technology Project

The SIP agreement requires LSI Logic to fund an education and training program that focuses on preparing students for careers in high-technology, and the annual payments from 1996-2001 to the SIP Education and Training Fund are targeted directly for use in achieving this goal. In 2001, the county approved the development of the Career Pathway Technology Project, a program designed to deliver technical coursework to students in east Multnomah County and SE Portland and introduce them to technical and engineering career pathways. A major component of the project is expanding opportunities for low-income and ESL (English as a Second Language) students. Mt. Hood Community College, the SIP's major educational partner, has been contracted to implement the Pathway Project. In its first three years, the program has served 226 students from nine east Multnomah County high schools and Marshall High School in SE Portland.

A key component of the Pathway Project is the High-Tech Talent Project (HTTP), which provides math tutoring to targeted students in four high schools. Focusing on students for whom English is a non-native language, project director Paul Molino works with teachers at the high schools to identify freshmen and sophomores with an interest in math or science who could benefit from additional tutoring in a supportive environment. To encourage HTTP participants to pursue post-secondary education, the program offers $500 scholarships to be applied toward tuition at any public college or university in Oregon. The first group of scholarship awards was made at the end of the 2002-2003 school year to eleven freshmen and sophomore HTTP participants, who will receive the funds when they graduate.

In 2002, Worksystems Inc. connected Pathway students to scholarship funds available to graduating high school seniors pursuing education in technology fields at any public Oregon college or university. The funding, from a federal H1-B Technical Skills Training Grant through the Oregon Student Assistance Commission, provided twenty-one college-bound high school seniors with $2,500 scholarships.

LSI Logic was also part of the team that developed a three-course series in microelectronics technology at MHCC for the 2002-2003 school year. The classes brought together a diverse group that included high school students from Pathway high schools, college students, and LSI Logic technicians and trainers. The new courses are Semiconductor Processing I, Semiconductor Processing II, and Semiconductor Equipment Overview. The ten Pathway students who completed the series received eleven college credits. LSI Logic paid their tuition of $550 plus books as part of the Pathway Project. LSI staff will continue to serve on the committee that oversees the curricula for these classes.

"The curriculum development project at Mt. Hood Community College really strengthened the partnership between MHCC and LSI Logic. I was fortunate to take the three new microelectronics classes and enjoyed seeing high school students get excited about our industry."

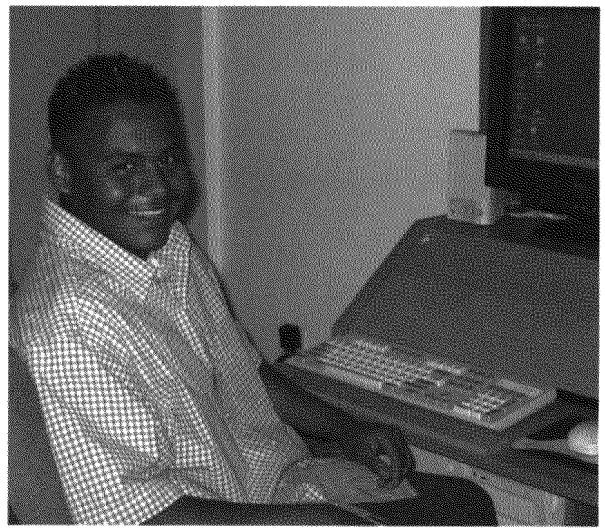
Sheila Abercrombie
LSI Logic Training Specialist

Internships

LSI Logic sponsored six MECOP (Multiple Engineering Co-op Program) students from Oregon State University in six-month internships in a variety of engineering disciplines. In addition, the company provided internships to seven master's level students from the University of Oregon and Portland State University. LSI Logic continues to work closely with the University of Oregon to offer nine-month internship experiences for students in the Material Science and Master of Science programs; in 2002 LSI Logic initiated four new internships for these students and continued an internship that began the previous year.

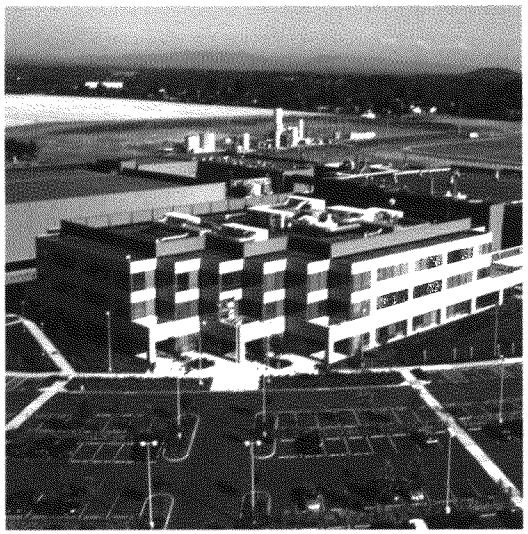
Student Profile

Alejandro ("Alex") Escobar is a freshman at Multnomah County's Reynolds High School with close ties to his school, family, and the community. He is an English language learner (ELL) who came to Portland only two years ago from Honduras. Alex's two passions are computers and soccer. He plays soccer after school and on weekends at the high school and with El Programa Hispano in Gresham, and he hopes to go to college to study computer technology. According to his ELL teacher, Lisa Madzelan, Alex is an excellent student and a leader in the classroom.



The SIP plays a part in Alex's life through the Career Pathway Technology Project. He participated in the project's HTTP math tutoring program last year and will continue as a sophomore, progressing to the next math level. At the end of the 2002-2003 school year, he received a $500 scholarship from the Pathway Project to apply to college expenses. Jesus Perez is a staff member of El Programa Hispano who recommended him wholeheartedly for the scholarship, saying, "Alex demonstrates great determination to overcome any obstacles that might get in the way of accomplishing his academic dream." Alex says the HTTP tutoring program and the scholarship will help him a great deal—and that he plans to work hard to achieve his goals.

Local Procurement



In addition to the new jobs created directly and indirectly through the SIP, the purchase of the goods and services required for the Gresham facility have a significant economic impact on the local community and the region. The SIP requires LSI Logic to have a local procurement plan that describes their efforts to purchase local goods and services whenever possible and practical. Local procurement by LSI Logic in 2002 totaled almost $73.3 million. A decline of almost 40 percent from the previous year's total of $121.5 million, this figure reflects the impact of lowered end-demand for advanced semiconductors as the industry slump continued. Local procurement expenditures for 2001, the first year of the recession, were significantly higher because major equipment and construction purchases for the newly completed central processing building were made that year.

LSI Logic added 89 new local suppliers to its portfolio of regional vendors in 2002. The transfer of a research and design team from California to the Gresham campus is expected to lead to additional local procurement over time as the industry recovers. On a cumulative basis, LSI Logic's partnership with regional suppliers of goods and services has resulted in purchases totaling $630 million from Oregon and Clark County vendors.

A summary of LSI Logic's actual expenditures for 2002 follows:

Multnomah County	$22,290,819
Oregon, non-Multnomah County	$49,146,163
Total Oregon	**$71,436,982**
Clark County	$ 1,837,166
Total Region	**$73,274,148**

Environmental Management

LSI Logic's SIP agreement requires a demonstrated commitment to the county's "no impact" environmental goal. The company has in place a comprehensive environmental management system (EMS) that strives to minimize the impact of its operations on the environment. LSI Logic has staff dedicated to overseeing its environmental management initiatives and maintains a close working relationship with the Oregon Department of Environmental Quality (DEQ), the state regulatory authority for environmental protection. Each year the DEQ evaluates LSI Logic's performance and provides input for this report.

ISO 14001, Green Permits, and National Performance Track Participation

LSI Logic's Gresham campus first received ISO 14001 certification for its EMS in June 2000. ISO 14001 is an international standard for environmental management that includes specific requirements for establishing an environmental policy, determining environmental aspects and impacts of a business's operations and products, planning environmental objectives and measurable targets, and implementing programs to meet those objectives and targets. A continuous assessment audit of LSI Logic's ISO 14001 certification was conducted in October 2002 and no major non-conformances were identified.

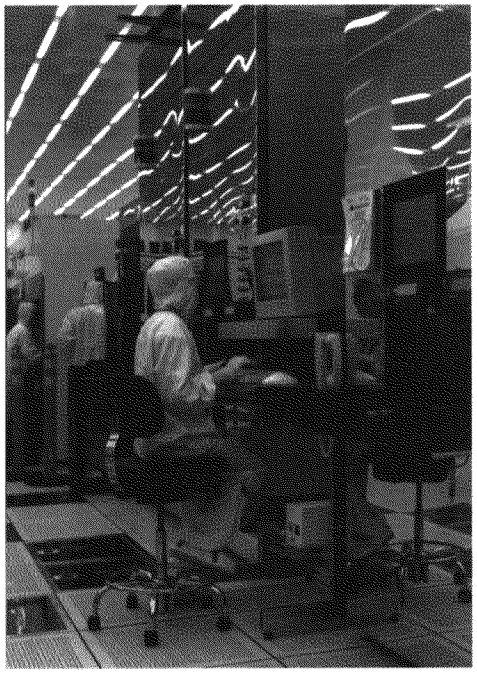
In 2002, LSI Logic continued its participation in the Green Permits program administered by the DEQ. The Green Permits program recognizes, and provides some regulatory flexibility to, facilities that have a robust EMS and demonstrate ongoing improvements in environmental performance beyond what is required by law. LSI Logic submitted its annual Green Permits report in April 2002. Green Permits program information, including LSI Logic's annual program reports, can be found at: www.deq.state.or.us/programs/greenpermits/index.htm.

The company also continued its participation in the U.S. Environmental Protection Agency's National Performance Track program as one of its charter members. The National Performance Track is the national equivalent of Oregon's Green Permits program, with a

Top Fab of 2002

LSI Logic's Gresham campus was honored by Semiconductor International magazine as one of the two top fabrication facilities worldwide in 2002. The designation acknowledged the overall excellence of the facility, including its technological innovations, training programs, and environmental management system.

focus on the implementation of strong EMS's that produce sustained environmental performance achievements. LSI Logic submitted its annual performance report in June 2002. National Performance Track information, including LSI Logic's annual reports as they become available, can be found online at www.epa.gov/performancetrack/.



Environmental Performance Achievements

During 2002, fifteen environmental improvement projects were implemented at the LSI Logic Gresham campus, focusing on five significant environmental areas:

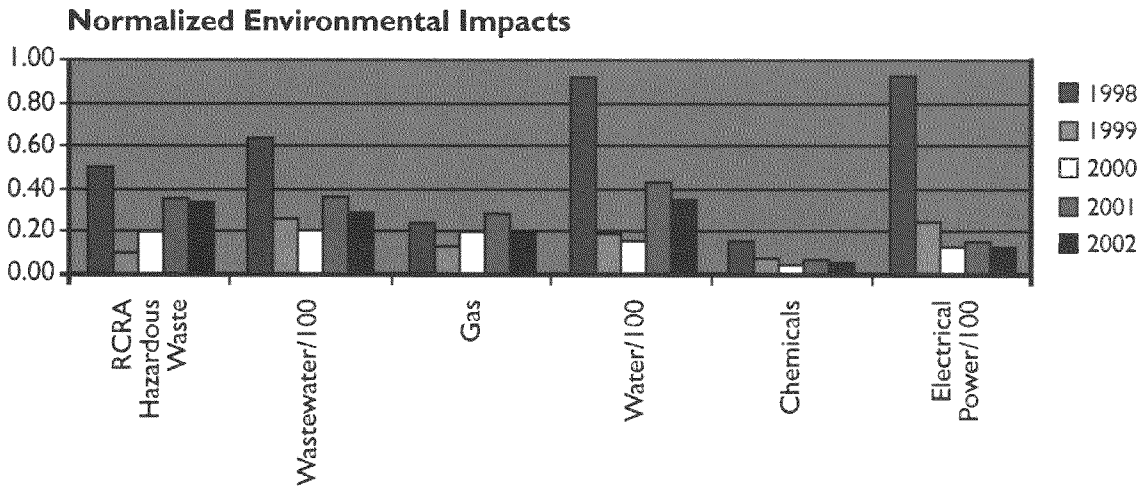
- Chemical Reduction/Pollution Prevention
- Water Conservation
- Energy Conservation
- Solid Waste Reduction
- Transportation and Trip Reduction

2002 New Impact Reductions

Gallons of Chemical Reduced	232 gallons
Pounds of Gas Reduced	28,240 pounds
Gallons of Spent Chemicals Recycled	56,440 gallons
Pounds of Hazardous Waste Reduced	28,830 pounds
Gallons of Water Saved	9,467,400 gallons
Kilowatt-hours of Energy Saved	304,315 kilowatt-hours
Cubic Feet of Natural Gas Reduced	2,236,529 cubic feet
Pounds of Air Pollution Prevented	13,369 pounds
Pounds of Solid Waste Reduced	34,453 pounds
Trip Miles Avoided	161,000 miles

Analysis of Performance Achievements

Since the first full year of manufacturing at LSI Logic's Gresham campus was 1998, this year is used as the baseline for measuring environmental impacts at the facility. Five years of environmental impact data have now been collected, and a limited analysis of trends for specific types of impacts can be conducted. Below is a bar chart depicting a comparison of pollution generation and natural resource use between 1998 and 2002. The comparison uses pollution and usage numbers that are normalized for production, as production levels within the electronics sector can fluctuate greatly from year to year.



DEQ evaluates LSI Logic's yearly progress by comparing the environmental impact reductions (or increases) relative to the baseline year and the preceding year, as well as by reviewing each year's performance improvement projects. As more annual data is collected, a more extensive analysis of environmental performance trends will be conducted. As a Green Permits program participant and as a SIP participant, LSI Logic is expected to demonstrate continual improvement through its annual reporting for the program.

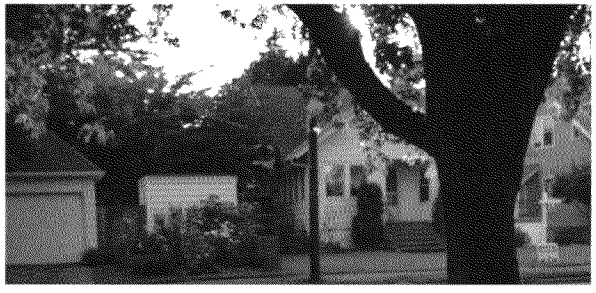
The bar chart on the previous page shows that performance improvements have been made in all six environmental impacts measured by LSI Logic between 2001 and 2002. In addition, the impact levels for all of the areas continue to be below the 1998 baseline levels.

In general, fab capacity was more effectively utilized in 2002 than in 2001 due to improvements in wafer loading. Increased utilization of resources, continuous process improvements, waste minimization initiatives, and simultaneous reductions in consumption have resulted in a favorable decrease in all environmental impacts. For a more detailed environmental performance report, please visit www. multnomahsip.org.

Housing

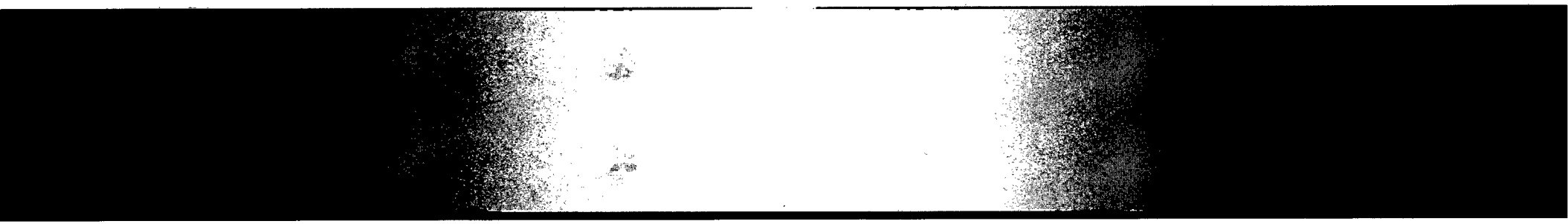
Contributions to the SIP Community Housing Fund are allocated to increase the supply of affordable housing within Multnomah County. Each year of the SIP agreement, LSI Logic is required to make a payment to the Housing Fund, gradually increasing over time from $100,000 annually for the first four years to $200,000 annually in the final four years. Together with their initial one-time payment of $500,000 made in 1995, LSI Logic's payments to the Housing Fund total $1.275 million to date. The fund is managed by the county's Housing Director.

In 2002, the Multnomah County Board of Commissioners allocated part of the SIP Housing Fund to Cascadia Behavioral Healthcare to assist in the development of Midland Commons, a 46-unit housing project for people with mental illness. The county's decision to make surplus land adjacent to the Mid County Health Center available for special needs housing development, coordinated with the allocation of SIP funds for predevelopment costs, made the project possible. Cascadia has been able to access more than $4 million in other capital to build and operate the project, which will begin construction in fall of 2003. Through the SIP Housing Fund the county is able to promote the creation of affordable housing for all segments of our population.



Conclusion

If the first seven years of LSI Logic's participation in the Multnomah County SIP are any indication, we can expect in the remaining years both performance that continues to exceed the established standards and unanticipated events that will affect year-to-year results. As the technology landscape shifts around us, both LSI Logic and Multnomah County remain focused on how the SIP partnership can continue to have a positive impact on the community. The workforce development efforts that have been undertaken as a result of the SIP will help east Multnomah County build a well-educated, well-paid high-tech workforce. The company's environmental stewardship will help protect the natural resources our community depends on and values so highly. These and the other outcomes tied to the SIP demonstrate the mutual benefit that can result from the program. It remains our goal to share information about the SIP with the public and the program's stakeholders openly and continuously. We invite you to visit our website, www.multnomahsip.org, where an electronic version of this report as well as all other program materials can be found.



MULTNOMAH
COUNTY

Strategic Investment Program
501 SE Hawthorne Blvd., Suite 600
Portland, Oregon 97214

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: October 30, 2003
Agenda Item #: B-2
Est. Start Time: 9:15 AM
Date Submitted: 10/22/03

Requested Date: October 30, 2003 **Time Requested:** 15 minutes

Department: Non Departmental **Division:** Auditor

Contact/s: Judy Rosenberger

Phone: 503/988-3320 **Ext.:** 83320 **I/O Address:** 503/601

Presenters: Suzanne Flynn and Sarah Landis

Agenda Title: Homeless Youth Audit Follow-Up

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

---

1. **What action are you requesting from the Board? What is the department/agency recommendation?** Board Briefing

2. **Please provide sufficient background information for the Board and the public to understand this issue.**

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

   NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

   If a budget modification, explain:
   - **What revenue is being changed and why?**
   - **What budgets are increased/decreased?**
   - **What do the changes accomplish?**

- ❖ Do any personnel actions result from this budget modification? Explain.
- ❖ Is the revenue one-time-only in nature?
- ❖ If a grant, what period does the grant cover?
- ❖ When the grant expires, what are funding plans?

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

If a contingency request, explain:

- ❖ Why was the expenditure not included in the annual budget process?
- ❖ What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?
- ❖ Why are no other department/agency fund sources available?
- ❖ Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.
- ❖ Has this request been made before? When? What was the outcome?

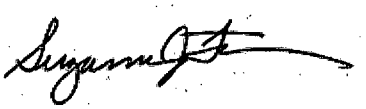
If grant application/notice of intent, explain:

- ❖ Who is the granting agency?
- ❖ Specify grant requirements and goals.
- ❖ Explain grant funding detail – is this a one time only or long term commitment?
- ❖ What are the estimated filing timelines?
- ❖ If a grant, what period does the grant cover?
- ❖ When the grant expires, what are funding plans?
- ❖ How will the county indirect and departmental overhead costs be covered?

4. Explain any legal and/or policy issues.

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

<u>Required Signatures:</u>

Department/Agency Director:  Date: October 22, 2003

Budget Analyst

By: Date:

Dept/Countywide HR

By: Date:

Suzanne Flynn
Multnomah County Auditor
501 S.E. Hawthorne, Room 601
Portland, Oregon 97214
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Audit Follow-Up Report # 6, October 2003
Homeless Youth Services Continuum

The County and homeless youth service providers have made good progress towards implementing recommendations. We are concerned about the loss of ability to monitor and evaluate the system's effectiveness.

Background

The Auditor's Office released its report, *Homeless Youth Services Continuum: Review of System Outcomes*, in November 2001. The purpose of the review was to identify risks and assess progress made toward system-level outcomes by the Downtown Homeless Youth Service Continuum (the Continuum). The review did not include an assessment of specific providers or client outcomes, but focused instead on factors contributing to the overall success of the service system.

Homeless youth services have undergone significant changes since 1998 when they were criticized by community groups and the media for a perceived lack of accountability and leadership. The current configuration of services in the Continuum is the result of the County's response to that criticism. The Board of County Commissioners directed the formation of an Ad Hoc Committee, made up of interested community, business, and government representatives, to develop a new model of services.

The Ad Hoc Committee recommended, and the Board approved, a model that consisted of services ranging from immediate relief off the streets to assistance and support in permanently transitioning out of homelessness and becoming productive members of the community. Services included:

- Basic needs and relief services
- 24 hour common space
- Screening
- Assessment
- Crisis shelter
- Case management/service coordination
- Short-term shelter
- Transitional housing

The end result of the redesign process was the awarding of contracts to four (later reduced to three) community-based agencies to provide services. These agencies were required to work in partnership to provide coordinated services to youth. The Continuum is managed by the County's Department of School and Community Partnerships (DSCP). Community oversight is provided by the Homeless Youth Oversight Committee (HYOC), which is made up of business, community, government, provider, and other youth services representatives.

Original Recommendations

In our 2001 review, we found that substantial progress had been made toward creating a system of services for homeless youth that was collaborative, effective, and accountable. We also found significant weaknesses that could affect the Continuum's ability

to achieve the goals of the Ad Hoc Committee. These were:

- Management of the Continuum was not fully aligned with criteria for partnership-based contracts.
- Each party's role in the partnership was not clear.
- Linkages to outside service systems needed strengthening.
- The Youth Development Model had not been fully implemented.
- There were no formal procedures for following up on audit, evaluation, and monitoring reports.
- The intended client population was not clearly defined.

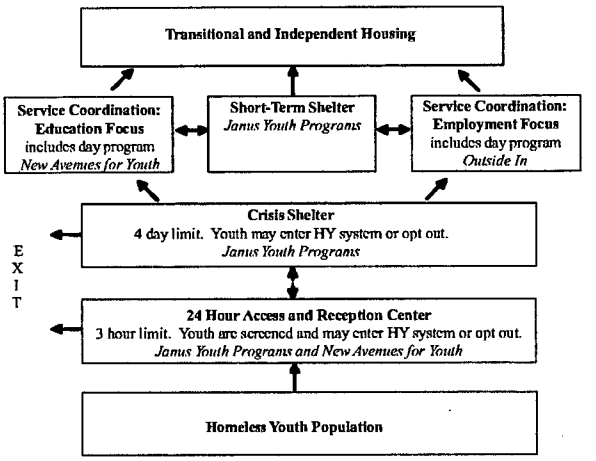
We made recommendations to address each of these findings in the original report. The County Chair and acting Department Director generally agreed with the recommendations and outlined their plans for addressing each of them. In addition, the Department sent our office supplemental materials and explanations of progress made to date in January 2003.

System Recently Modified

The system was modified again by a subcommittee of the HYOC that prepared a competitive Request for Proposals for new five year contracts effective on July 1, 2003. The new design changes the focus of the system to engaging youth quickly and limiting services to those youth who are not willing to commit to further services. Once youth do commit to further services, they are assigned to an agency in either an education or employment track, which becomes a primary focus of their services. These new education and employment tracks and shorter lengths of stay at the front end represent a significant move away from the 1998 Ad Hoc Committee's design. That original design offered more relief-based services in order to reduce the harm to youth living on the streets, as well as services to help them transition out of homelessness. The recent RFP indicates that changes were made in order to improve engagement rates and to increase the focus on youth outcomes.

Exhibit 1

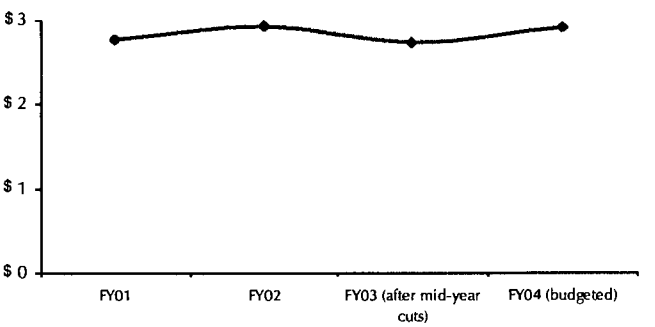
Current Homeless Youth Services Flowchart



The Continuum has a substantial commitment of public resources. In FY1998, before the major redesign, $810,346 was spent on services to homeless youth. This amount has grown to $3,251,037 budgeted for FY2004.

Exhibit 2

Downtown Homeless Youth Services Expenditures*
(constant $, in millions)



*Does not include $131,683 from Portland Public Schools or $200,000 from Department of Community Justice for new programs in FY04

Despite fairly stable spending for core services at approximately $2.8 million over the past three years, the overall number of youth served appears to have declined since FY2001. Although various reports show differing numbers of clients served, the available data indicate decreases in the number screened, the number assessed, and the number in crisis shelter, while the numbers in short-term shelters and service coordination vacillate. The most current data indicate that just over 700 were served in FY2003, considerably fewer than the 1,000 youth the system was designed and funded to serve.

Scope and Methodology

The scope of this follow up was limited to assessing progress made on implementing the recommendations in the 2001 report. To make these determinations, we interviewed County staff and management, each of the three Continuum providers, and five members of the Homeless Youth Oversight Committee. We also reviewed numerous documents, including HYOC meeting minutes, the recent Request for Proposal, contracts and program instructions, working agreements, evaluation information, and other documents provided by the Department.

As a result of our review, we identified at least two potential future audit areas: 1) an analysis of cost per youth, and 2) assessment of the amount of service provided to youth.

This Follow-Up was included in our FY2003 audit schedule and was conducted in accordance with generally accepted government auditing standards.

Accomplishments

DSCP and the Homeless Youth Continuum have made good progress in implementing most of the recommendations from the 2001 review. A list of each recommendation and summary of progress on implementation are provided in the table below. Additional concerns and accomplishments follow.

The level of collaboration within the Continuum has improved a great deal since the initial redesign in 1998. Despite the fact that the three agencies do not always agree on their philosophies toward serving youth, they have overcome differences to support projects, jointly apply for and win grant awards, coordinate services, and agree on most issues facing the Continuum as a whole. In addition, providers

Original Recommendation	Status
1. Bring management of the Continuum into alignment with established criteria for partnership-based contracts to increase the likelihood of achieving mutual goals.	Ongoing. Day-to-day management of the Continuum occurs in a collaborative environment. However, the fact that contracts are still let competitively could jeopardize the partnership. The stability of the system depends on shared responsibility, trust, and decision-making. A competitive system can put these elements at risk. See below.
2a. Clearly spell out the expectations of County leadership, management, and staff regarding their responsibilities in the partnership.	Implemented. Providers reported no problems in this area.
2b. Define expectations of providers in working with the County, the HYOC, and other providers regarding their responsibilities in the partnership.	Implemented. Providers seem to be clear about their roles. However, concerns remain about the extent to which true partnership can exist in a competitive contracting environment.
2c. Adopt a mission for the HYOC that allows it to both ensure the effective implementation of the original system design and support the Continuum to expand and improve.	Partially implemented. Although some work has been done to clarify the role of the HYOC, nothing has yet been formalized or adopted and some HYOC members remain unclear about the purpose and expectations of the HYOC.
2d. Establish a clear purpose, set parameters of authority, operational bylaws, and formal leadership for the HYOC to ensure its effectiveness.	Implemented.
3. Improve linkages to outside systems and providers of other services to homeless youth to increase the likelihood of youth attainment of outcomes.	Ongoing. Linkages with some outside systems, such as the Youth Investment System and the Police Bureau, have improved. Others need attention, particularly with the adult homeless system and foster care. This is an issue that will need constant attention.
4. Implement the Youth Development Model to ensure service quality and shared philosophy.	Implemented. Each agency has a youth development plan in place and has incorporated these principles into their contract bids, but there are no plans in place to monitor or evaluate these efforts.
5. Establish procedures for following up and taking action on findings from evaluations, audits, monitoring reports, and other research conducted to maximize the benefit of knowledge gained from these efforts.	Partially implemented. No formal procedures have been established, but there is evidence that the HYOC and subcommittees review reports and use them in decision making. We have serious concerns about the diminished capacity for evaluation and monitoring. See below.
6. Clarify definition of intended client population, including prioritization of subpopulations, if appropriate, in order to increase the effectiveness of services.	Implemented. Parameters have been set around eligibility for Continuum services, but the effects of these parameters should receive on-going evaluation.

report that cooperation and collaboration at the line staff level is exceptional. Relationships with the County appear to have improved as well, ensuring that partnership is the norm on a day-to-day basis in the Continuum. The benefits of collaboration are clear in increasing the Continuum's ability to attract outside funding, leverage public funding, and present a cohesive system of services to youth.

Members of the Continuum have also made progress toward improving linkages to outside service systems and agencies:

- Received a Robert Wood Johnson grant to provide for alcohol and drug treatment, creating connections between Homeless Youth providers and treatment agencies.
- Developed a working agreement between the Youth Investment System and the Homeless Youth Continuum detailing how each will respond to runaways or youth who are candidates for reunification with their families.
- Implemented a partnership agreement between the Continuum and the Portland Police Bureau that has improved coordination and cooperation.
- Merged the Homeless Youth Access Center with the Reception Center, which is a place for police to take runaways and status offenders who have not committed crimes serious enough to take them to Juvenile Detention. This generates efficiencies and creates a single access point for teens in need of services.

Finally, the Continuum was able to sustain itself through a difficult RFP and contract award process this year. Changes in philosophy, consolidation, and elimination of some services in the RFP took many by surprise and caused some uncertainty, according to providers. At the time of this report, issues that arose around contract awards and program specifications as a result of the RFP were being worked out and all involved believe that the Continuum will be able to move forward and continue to collaborate in the future.

Areas of Concern

Loss of Evaluation Capacity

Our greatest concern about the current status of the Homeless Youth Continuum is the loss of evaluation capacity. We had previously found this to be one of the system's greatest strengths, but it is now a pressing need in the Continuum. In the 1 ½ years since the release of our report in 2001, resources dedicated to data management and evaluation of the system were eliminated due to budget cuts at DSCP. In the interim, only a few data reports were produced, which provided information on some important elements of the system, but did not consistently provide workload information such as number of youth served overall and in each service element. Knowledge of basic population and service numbers is essential for day-to-day management of the system, accountability, mid-stream changes, and long-term planning.

The move of all data collection to DSCP's Crosswalk database should increase the ability of County staff to access data and run reports, but it will not replace the need to have an independent, professional evaluation to analyze outcomes and help interpret cause and effect.

Changes to Original Ad Hoc Committee Design

The current redesign of the Homeless Youth Continuum represents a significant divergence from the system designed by the Ad Hoc Committee in 1998. The original model included many more services at the front end of the system and more time for youth to engage in services. Ongoing relief services are now only available to youth who sign up for service coordination. The new contracts do not include funding for Greenhouse, which was the place where youth could come to rest and receive basic needs supplies without necessarily having to commit to entering service coordination immediately. The goal is to reduce to a few hours the amount of time youth can spend at the Access and Reception Center before deciding to sign up for service coordination, down from an unlimited amount of time in the previous contract. The number of nights youth can stay in crisis shelter per month without entering service coordination has also been reduced to four from an estimated average length of stay of 14 days in the last contract. According to the

Department, these changes were an attempt to move youth through the front end of the system and into service coordination faster.

We are concerned about the possible effects of the recent changes in design. This shift in policy limits the eligible service population to those youth who are ready and willing to leave the streets and progress through the system. A possible consequence is further isolation of "hard core" homeless youth from services. DCSP and HYOC need to pay close attention to what happens at the front end of the system and determine whether new policies create disincentives for youth to seek out and engage in services.

Because this represents such a significant change in policy, we believe that the design decisions should have been made by the body that had policy setting authority for the Continuum. This issue relates to the continuning problem of confusion around the role and authority of the HYOC.

Challenges to Partnership

The Continuum continues to face a number of challenges regarding partnership and collaboration. Providers are expected to collaborate amongst themselves and with the County as if in full partnership, but are then set to compete for resources when a new RFP is issued. Decision-making authority, which would be a joint task between the County and providers in a full partnership, is complicated by the presence and activity of the HYOC. The Department also feels tension in its dual role as a partner with providers and contract enforcement agent for the County.

This situation creates additional limitations on collaboration and partnership as providers have little input into service design, agencies vie for service dollars, and contracts are negotiated. Whether this competition will erode the partnership is unknown at this point, but the stability of the Continuum is certainly more at risk the further it moves away from partnership. A partnership can still exist within a competitive contracting model, but the potential effects of competition on the partnership need to be fully considered in making procurement decisions. Having a competitive RFP process does not invalidate the partnership, but it can put it at risk. This issue will need to be revisited and monitored throughout the life of the current contract and into the planning of the next.

HYOC

The HYOC continues to operate without a mission statement, although is has recently adopted bylaws and formalized its structure. Some members continue to express confusion about the role of the HYOC in the Continuum and are concerned that there is not a clearer sense of purpose. Without clarity of role and authority, the HYOC operates in an environment of uncertainty and its decisions and recommendations may not have the force they need to bring about change in the Continuum. Management indicates that plans are underway to address this.

The HYOC continues to have tangible benefits and real potential to increase the accountability, visibility, and community support of the Homeless Youth Continuum. Members cite the benefits of involvement, including staying abreast of developments and having contacts and connections with other agencies. However, a committee of this sort needs direction and assigned tasks in order to maintain its usefulness.

Finally, we believe that the composition of the HYOC needs to be reviewed once a mission is adopted. In our opinion, a policy setting committee should be made up of a balance of community interests, outside experts on youths' developmental needs, providers, and youth. An oversight committee with limited decision-making authority could have a broader representation from stakeholders. Whatever decision is made about the scope of authority for the HYOC, there needs to be attention on maintaining the balance of interests and ensuring that there are experts in what works for youth on the Committee.

Cost per Client

As noted above, department data indicate that the number of clients being served, especially at the front end of the system, has dropped over the last few years and is lower than the original target of 1,000 youth per year. At the same time, the cost of serving youth has remained stable and has even risen slightly with the most recent redesign. We are concerned that cost per client is rising without a solid understanding of these costs by policy makers or the HYOC. For example, it is unknown whether current funding for the system is now adequate, whether it is underfunded, or whether it is inefficient or too expensive for the services received.

Follow-Up Recommendations

1. Prioritize evaluation and monitoring to build accountability back into the system. This may mean additional funding or reallocation of existing funds.

2. Establish a clear statement of mission and purpose for the HYOC to ensure its effectiveness.

3. Continue to manage the Continuum on a day-to-day basis as a partnership and monitor the effects of competition for consideration in planning the next RFP.

4. Continue working to establish linkages with outside service agencies to increase the scope of services available and make transitions between agencies smoother. In particular, linkages with the adult homeless system and state foster care system need improvement.

5. Monitor the effects of the new policy, which limits relief off the streets services to those who are not fully engaged in service coordination, and adjust policies if necessary.

Diane M. Linn, Multnomah County Chair

501 SE Hawthorne Blvd., Suite 600
Portland, Oregon 97214
Phone: (503) 988-3308
Email: mult.chair@co.multnomah.or.us

TO: Suzanne Flynn, County Auditor
Sarah Landis, Senior Management Auditor

FROM: Diane M. Linn, Chair
Lolenzo T. Poe, Jr. Director, OSCP

DATE: October 21, 2003

RE: Response to Follow-up Review of the Homeless Youth Services Continuum

---

Thank you for the information provided by your follow-up report on the Homeless Youth Services Continuum. Your feedback will assist us in continuing to develop the Homeless Youth System partnership and enhance the service delivery system.

There is general agreement regarding the areas of concern listed in the report along with the follow-up recommendations. We recognize the need to address these issues and agree that they will further enhance both the partnership and the services provided in the Continuum.

Following is a response to each of the follow-up recommendations listed in the report;

1. Evaluation is a critical tool for determining system impacts and areas for improvement. The lack of resources to support this important program component is of great concern. The reinstatement of evaluation will be a high priority when resources become available.

2. Bylaws for the Homeless Youth Oversight Committee were formalized and adopted in September 2003 by HYOC members. The Bylaws define the purpose and scope of the Committee, including parameters of authority, representation, and member roles. A mission statement has been drafted and will be finalized by HYOC members at the November meeting.

3. OSCP will review the procurement process for homeless youth services as we near the end of the current RFP to take into consideration impacts on the partnership model.

4. The Homeless Youth System Work Plan for this fiscal year outlines a strategy to improve coordination with other service systems that interface with the Homeless Youth System. These include the Adult Homeless System and DHS, with the ultimate goal of developing agreements between these systems to ensure on-going communication and coordination.

5. OSCP is committed to closely monitoring service utilization and outcome data to assess the impacts of the system redesign and to make program changes accordingly. OSCP will conduct a six month data review on all Homeless Youth Continuum Programs to determine impacts of recent changes to the system design. Where necessary, programmatic changes will be modified to ensure that the system is providing youth safety off the streets as well as engagement into service coordination.

It is important to recognize how far this continuum of services and this partnership has come in the last few years. With the help of our partners (the members of the HYOC, Janus Youth Programs, Outside In, and New Avenues for Youth) we took a patchwork of agencies and services and organized them into an integrated, high functioning system of care that is increasing positive outcomes for vulnerable youth.

We appreciate your thorough analysis of the Homeless Youth Continuum and look forward to implementing your recommendations in order to further strengthen this service system and the partnerships that are so vital to the system's ability to effectively serve youth.

Suzanne Flynn
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Audit Follow-Up Report # 6, October 2003
Homeless Youth Services Continuum

The County and homeless youth service providers have made good progress towards implementing recommendations. We are concerned about the loss of ability to monitor and evaluate the system's effectiveness.

Background

The Auditor's Office released its report, *Homeless Youth Services Continuum: Review of System Outcomes*, in November 2001. The purpose of the review was to identify risks and assess progress made toward system-level outcomes by the Downtown Homeless Youth Service Continuum (the Continuum). The review did not include an assessment of specific providers or client outcomes, but focused instead on factors contributing to the overall success of the service system.

Homeless youth services have undergone significant changes since 1998 when they were criticized by community groups and the media for a perceived lack of accountability and leadership. The current configuration of services in the Continuum is the result of the County's response to that criticism. The Board of County Commissioners directed the formation of an Ad Hoc Committee, made up of interested community, business, and government representatives, to develop a new model of services.

The Ad Hoc Committee recommended, and the Board approved, a model that consisted of services ranging from immediate relief off the streets to assistance and support in permanently transitioning out of homelessness and becoming productive members of the community. Services included:

- Basic needs and relief services
- 24 hour common space
- Screening
- Assessment
- Crisis shelter
- Case management/service coordination
- Short-term shelter
- Transitional housing

The end result of the redesign process was the awarding of contracts to four (later reduced to three) community-based agencies to provide services. These agencies were required to work in partnership to provide coordinated services to youth. The Continuum is managed by the County's Department of School and Community Partnerships (DSCP). Community oversight is provided by the Homeless Youth Oversight Committee (HYOC), which is made up of business, community, government, provider, and other youth services representatives.

Original Recommendations

In our 2001 review, we found that substantial progress had been made toward creating a system of services for homeless youth that was collaborative, effective, and accountable. We also found significant weaknesses that could affect the Continuum's ability

Sarah Landis, Senior Management Auditor

to achieve the goals of the Ad Hoc Committee. These were:

- Management of the Continuum was not fully aligned with criteria for partnership-based contracts.
- Each party's role in the partnership was not clear.
- Linkages to outside service systems needed strengthening.
- The Youth Development Model had not been fully implemented.
- There were no formal procedures for following up on audit, evaluation, and monitoring reports.
- The intended client population was not clearly defined.

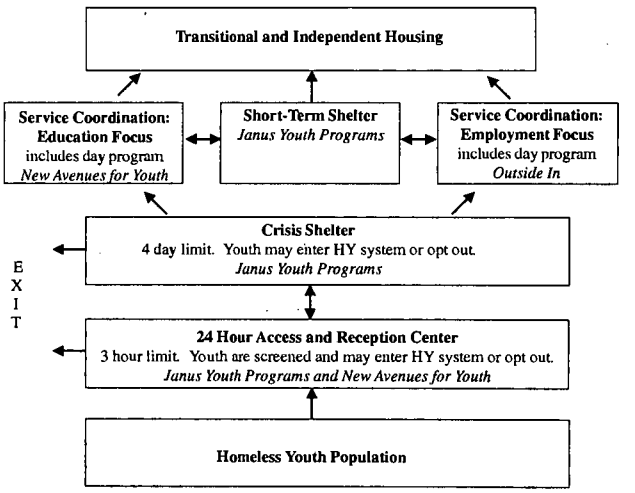
We made recommendations to address each of these findings in the original report. The County Chair and acting Department Director generally agreed with the recommendations and outlined their plans for addressing each of them. In addition, the Department sent our office supplemental materials and explanations of progress made to date in January 2003.

System Recently Modified

The system was modified again by a subcommittee of the HYOC that prepared a competitive Request for Proposals for new five year contracts effective on July 1, 2003. The new design changes the focus of the system to engaging youth quickly and limiting services to those youth who are not willing to commit to further services. Once youth do commit to further services, they are assigned to an agency in either an education or employment track, which becomes a primary focus of their services. These new education and employment tracks and shorter lengths of stay at the front end represent a significant move away from the 1998 Ad Hoc Committee's design. That original design offered more relief-based services in order to reduce the harm to youth living on the streets, as well as services to help them transition out of homelessness. The recent RFP indicates that changes were made in order to improve engagement rates and to increase the focus on youth outcomes.

Exhibit 1

Current Homeless Youth Services Flowchart

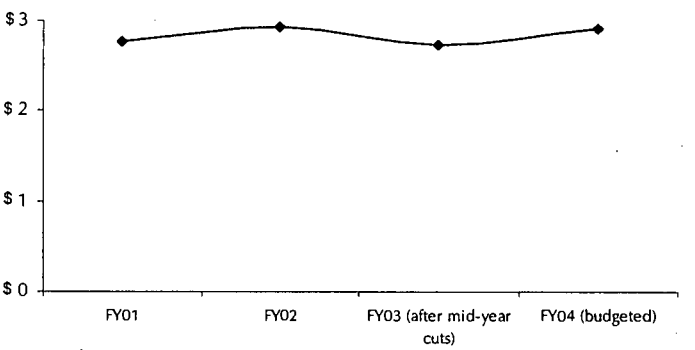


The Continuum has a substantial commitment of public resources. In FY1998, before the major redesign, $810,346 was spent on services to homeless youth. This amount has grown to $3,251,037 budgeted for FY2004.

Exhibit 2

Downtown Homeless Youth Services Expenditures*

(constant $, in millions)



*Does not include $131,683 from Portland Public Schools or $200,000 from Department of Community Justice for new programs in FY04

Despite fairly stable spending for core services at approximately $2.8 million over the past three years, the overall number of youth served appears to have declined since FY2001. Although various reports show differing numbers of clients served, the available data indicate decreases in the number screened, the number assessed, and the number in crisis shelter, while the numbers in short-term shelters and service coordination vacillate. The most current data indicate that just over 700 were served in FY2003, considerably fewer than the 1,000 youth the system was designed and funded to serve.

Scope and Methodology

The scope of this follow up was limited to assessing progress made on implementing the recommendations in the 2001 report. To make these determinations, we interviewed County staff and management, each of the three Continuum providers, and five members of the Homeless Youth Oversight Committee. We also reviewed numerous documents, including HYOC meeting minutes, the recent Request for Proposal, contracts and program instructions, working agreements, evaluation information, and other documents provided by the Department.

As a result of our review, we identified at least two potential future audit areas: 1) an analysis of cost per youth, and 2) assessment of the amount of service provided to youth.

This Follow-Up was included in our FY2003 audit schedule and was conducted in accordance with generally accepted government auditing standards.

Accomplishments

DSCP and the Homeless Youth Continuum have made good progress in implementing most of the recommendations from the 2001 review. A list of each recommendation and summary of progress on implementation are provided in the table below. Additional concerns and accomplishments follow.

The level of collaboration within the Continuum has improved a great deal since the initial redesign in 1998. Despite the fact that the three agencies do not always agree on their philosophies toward serving youth, they have overcome differences to support projects, jointly apply for and win grant awards, coordinate services, and agree on most issues facing the Continuum as a whole. In addition, providers

Original Recommendation	Status
1. Bring management of the Continuum into alignment with established criteria for partnership-based contracts to increase the likelihood of achieving mutual goals.	Ongoing. Day-to-day management of the Continuum occurs in a collaborative environment. However, the fact that contracts are still let competitively could jeopardize the partnership. The stability of the system depends on shared responsibility, trust, and decision-making. A competitive system can put these elements at risk. See below.
2a. Clearly spell out the expectations of County leadership, management, and staff regarding their responsibilities in the partnership.	Implemented. Providers reported no problems in this area.
2b. Define expectations of providers in working with the County, the HYOC, and other providers regarding their responsibilities in the partnership.	Implemented. Providers seem to be clear about their roles. However, concerns remain about the extent to which true partnership can exist in a competitive contracting environment.
2c. Adopt a mission for the HYOC that allows it to both ensure the effective implementation of the original system design and support the Continuum to expand and improve.	Partially implemented. Although some work has been done to clarify the role of the HYOC, nothing has yet been formalized or adopted and some HYOC members remain unclear about the purpose and expectations of the HYOC.
2d. Establish a clear purpose, set parameters of authority, operational bylaws, and formal leadership for the HYOC to ensure its effectiveness.	Implemented.
3. Improve linkages to outside systems and providers of other services to homeless youth to increase the likelihood of youth attainment of outcomes.	Ongoing. Linkages with some outside systems, such as the Youth Investment System and the Police Bureau, have improved. Others need attention, particularly with the adult homeless system and foster care. This is an issue that will need constant attention.
4. Implement the Youth Development Model to ensure service quality and shared philosophy.	Implemented. Each agency has a youth development plan in place and has incorporated these principles into their contract bids, but there are no plans in place to monitor or evaluate these efforts.
5. Establish procedures for following up and taking action on findings from evaluations, audits, monitoring reports, and other research conducted to maximize the benefit of knowledge gained from these efforts.	Partially implemented. No formal procedures have been established, but there is evidence that the HYOC and subcommittees review reports and use them in decision making. We have serious concerns about the diminished capacity for evaluation and monitoring. See below.
6. Clarify definition of intended client population, including prioritization of subpopulations, if appropriate, in order to increase the effectiveness of services.	Implemented. Parameters have been set around eligibility for Continuum services, but the effects of these parameters should receive on-going evaluation.

report that cooperation and collaboration at the line staff level is exceptional. Relationships with the County appear to have improved as well, ensuring that partnership is the norm on a day-to-day basis in the Continuum. The benefits of collaboration are clear in increasing the Continuum's ability to attract outside funding, leverage public funding, and present a cohesive system of services to youth.

Members of the Continuum have also made progress toward improving linkages to outside service systems and agencies:

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Our greatest concern about the current status of the Homeless Youth Continuum is the loss of evaluation capacity. We had previously found this to be one of the system's greatest strengths, but it is now a pressing need in the Continuum. In the 1 ½ years since the release of our report in 2001, resources dedicated to data management and evaluation of the system were eliminated due to budget cuts at DSCP. In the interim, only a few data reports were produced, which provided information on some important elements of the system, but did not consistently provide workload information such as number of youth served overall and in each service element. Knowledge of basic population and service numbers is essential for day-to-day management of the system, accountability, mid-stream changes, and long-term planning.

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This situation creates additional limitations on collaboration and partnership as providers have little input into service design, agencies vie for service dollars, and contracts are negotiated. Whether this competition will erode the partnership is unknown at this point, but the stability of the Continuum is certainly more at risk the further it moves away from partnership. A partnership can still exist within a competitive contracting model, but the potential effects of competition on the partnership need to be fully considered in making procurement decisions. Having a competitive RFP process does not invalidate the partnership, but it can put it at risk. This issue will need to be revisited and monitored throughout the life of the current contract and into the planning of the next.

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Follow-Up Recommendations

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2. Establish a clear statement of mission and purpose for the HYOC to ensure its effectiveness.

3. Continue to manage the Continuum on a day-to-day basis as a partnership and monitor the effects of competition for consideration in planning the next RFP.

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5. Monitor the effects of the new policy, which limits relief off the streets services to those who are not fully engaged in service coordination, and adjust policies if necessary.

Diane M. Linn, Multnomah County Chair

501 SE Hawthorne Blvd., Suite 600
Portland, Oregon 97214
Phone: (503) 988-3308
Email: mult.chair@co.multnomah.or.us

TO: Suzanne Flynn, County Auditor
Sarah Landis, Senior Management Auditor

FROM: Diane M. Linn, Chair
Lolenzo T. Poe, Jr. Director, OSCP

DATE: October 21, 2003

RE: Response to Follow-up Review of the Homeless Youth Services Continuum

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5. OSCP is committed to closely monitoring service utilization and outcome data to assess the impacts of the system redesign and to make program changes accordingly. OSCP will conduct a six month data review on all Homeless Youth Continuum Programs to determine impacts of recent changes to the system design. Where necessary, programmatic changes will be modified to ensure that the system is providing youth safety off the streets as well as engagement into service coordination.

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We appreciate your thorough analysis of the Homeless Youth Continuum and look forward to implementing your recommendations in order to further strengthen this service system and the partnerships that are so vital to the system's ability to effectively serve youth.

AGENDA PLACEMENT REQUEST

BUD MOD #: DA 04-02

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # C-1 DATE 10-30-03
DEBORAH L. BOGSTAD, BOARD CLERK

Board Clerk Use Only:

Meeting Date: October 30, 2003
Agenda Item #: C-1
Est. Start Time: 9:30 AM
Date Submitted: 10/17/03

Requested Date: October 30, 2003 **Time Requested:** N/A

Department: District Attorney **Division:** N/A

Contact/s: D. Scott Marcy

Phone: 503-988-3863 **Ext.:** 83863 **I/O Address:** 101/600

Presenters: Consent Calendar

Agenda Title: Budget Modification DA 04-02 in Recognition of Bureau of Justice Administration Project Safe Neighborhoods Grant Award Adding $200,096 to the District Attorney's Office Federal/State Fund

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

---

1. **What action are you requesting from the Board? What is the department/agency recommendation?** Recognition of $200,096 in grant funding from the Bureau of Justice Assistance Project Safe Neighborhoods Initiative awarded to the District Attorney's Office.

2. **Please provide sufficient background information for the Board and the public to understand this issue.** In 2002/2003 the BJA Project Safe Neighborhoods selection committee awarded the District Attorney's Office a total of $200,096 in grant funding for the purpose of funding it project proposal to mitigate juvenile gun crime and violence. The two major elements to the program are: to add resources that will enhance the prosecution of juvenile misdemeanor gun crime (addition of a Deputy DA 2 and Senior Office Assistant), and to work in collaboration with community and agency partners, specifically El Programa Hispano, in the development informational exchanges and an assessment of

conditions within the Latino neighborhoods. And finally to engage and collaborate with community members, youth and agency partners in the development and implementation of strategies designed to limit juvenile access to and possession of guns.

The grant period is two years; however the District Attorney's Office funding is intended to last 12 months.

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

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain:

- **What revenue is being changed and why?** The Fed/State revenue is increased by $200,096
- **What budgets are increased/decreased?** The District Attorney's Family and Community Justice Division budget is increased, as is the Counties Insurance revenue and contingency funds.
- **What do the changes accomplish?** The modification adds two positions to the DA Office and provides funding for Education and Travel and a supply budget. The modification allows funding of $38,000 for a contract with El Programa Hispano of Catholic Charities.
- **Do any personnel actions result from this budget modification? Explain.** The grant funds the addition of two positions in the District Attorney's Office, a Deputy DA 2 and a Senior Office Assistant.
- **Is the revenue one-time-only in nature?** The funding is on going in nature through the grant period.
- **If a grant, what period does the grant cover?** The grant period runs from July 1st 2003 to June 30th 2005.
- Project Safe Neighborhood is a major federal project and at this time we anticipate the renewal of this funding.

(ATTACH BUDGET)

If a contingency request, explain:

- **Why was the expenditure not included in the annual budget process?**
- **What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?**
- **Why are no other department/agency fund sources available?**
- **Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.**
- **Has this request been made before? When? What was the outcome?**

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.** The District Attorney's Office with contract with El Programa Hispano and

partner with local police and law enforcement agencies including the US Attorney's office during this project.

Required Signatures:

Department/Agency Director: Michael Schrunk **Date: 10/10/03**

Budget Analyst

By: Christian M. Yeager **Date: 10/16/03**

Dept/Countywide HR

By: BP Pettit **Date: 10/10/03**

BUDGET MODIFICATION: DA 04-02

(For Clerk's Use) Meeting Date: _____

Agenda No.: _____

1. REQUEST FOR PLACEMENT ON THE AGENDA FOR: _____ (Date)

DEPARTMENT: **District Attorney** DIVISION: **Family Justice**

CONTACT: **D. Scott Marcy** PHONE: **503-988-3863**

* NAME(S) OF PERSON MAKING PRESENTATION TO BOARD: _____

SUGGESTED AGENDA TITLE (To assist in preparing a description for the printed agenda)

Recognition of Bureau of Justice Administration Project Safe Neighborhoods grant award adding $200,096 to the District Attorney's Office fed/state fund.

2. DESCRIPTION OF MODIFICATION: [Explain the changes being made: What budget does it increase / decrease? What do the changes accomplish? Where does the money come from?]

[X] PERSONNEL CHANGES ARE SHOWN IN DETAIL ON THE ATTACHED SHEET

This budget modification adds 50170 fed direct revenue of $ 200,096 to the DA Office fed/state funds and add $4307 in central indirect into the contingency fund. The modification adds a Deputy District Attorney 2 and Senior Office Assistant position. The modification will add $38,000 in professional services for the purpose of entering into a contract with El Programa Hispano. The WBS element DA USDA and its associated lower level WBS elements were established to track Project Safe Neighborhood costs and revenues. This is a grant award from the Bureau of Justice Administration for Project Safe Neighborhoods.

3. REVENUE IMPACT: [Explain revenues being changed and reason for the change]

Increase in 50170 Fed thru Local $200,096
Increase in gf contingency $4307
Increase in fund 3500 (insurance fund) $24,287

TOTAL $228,690

4. CONTINGENCY STATUS [To Be Completed by Budget]

_____ Fund Contingency BEFORE THIS MODIFICATION AS OF _____ _____
(Specify Fund) AFTER THIS MODIFICATION: _____

Originated By: D. Scott Marcy	Date: 10/10/2003	Department Director: Michael Schrunk	Date: 10-10-03
Plan / Budget Analyst:	Date: 10-16-03	Employee Services:	Date:
Board Approval:	Date:		

Budget Modification: DA 04-02

EXPENDITURES & REVENUES

Please show an increase in revenue as a negative value and a decrease as a positive value for consistency with MERLIN.

Line No.	Fund Center	Fund Code	Accounting Unit: *Internal Order*	Accounting Unit: *Cost Center*	Accounting Unit: *WBS Element*	Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
1	15-30	32080			DA USDA.DA	60000	-	96,882	96,882		Permanent
2	15-30	32080			DA USDA.DA	60130		24,588	24,588		Salary Related
3	15-30	32080			DA USDA.DA	60140		24,287	24,287		Insurance
4	15-30	32080			DA USDA.DA	60260	0	9,450	9,450		Education and Training
5	15-30	32080			DA USDA.DA	60240	0	2,582	2,582		Supplies
6	15-30	32080			DA USDA.DA	60170	0	38,000	38,000		Professional Services
7	15-30	32080			DA USDA.DA	60350	0	4,307	4,307		County Indirect
8	15-30	32080			DA USDA.DA	50170	0	(200,096)	(200,096)		Fed Direct Revenue
9	19	1000			9500001000	50310	0	(4,307)	(4,307)		Reimbursement
10	19	1000			9500001000	60470	0	4,307	4,307		contingency
11	70-01	3500			705210	50316		(24,287)	(24,287)		Insurance fund rev.
12	70-01	3500			705210	60330		24,287	24,287		Inusrance claim
13								0			
14								0			
15								0			
16								0			
17								0			
18								0			
19								0			
20								0			
21								0			
22								0			
23								0			
24								0			
25								0			
26								0			
27								0			
28								0			
29								0			
									0	**0**	**Total - Page 1**
									0	**0**	**GRAND TOTAL**

5. **ANNUALIZED PERSONNEL CHANGE**
Change on a full year basis even though this action affects only a part of the fiscal year (FY).

					ANNUALIZED			
Fund	Job #	HR Org Unit	Position Title	Position Number	FTE	BASE PAY	FRINGE	INSUR	TOTAL
1505	6252	64102	Deputy District Attorney 2	711619	1.00	63,683	14,300	15,965	93,948
1505	6002	64102	Office Assistant Senior	711620	1.00	33,199	10,288	8,322	51,809
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
			TOTAL ANNUALIZED CHANGES		2.00	96,882	24,588	24,287	145,757

6. **CURRENT YEAR PERSONNEL DOLLAR CHANGE**
Calculate costs/savings that will take place in this FY; these should explain the actual dollar amounts being changed by this Bud Mod.

					CURRENT YEAR			
Fund	Job #	HR Org Unit	Position Title	Position Number	FTE	BASE PAY	FRINGE	INSUR	TOTAL
1505	6252	64102	Deputy District Attorney 2	711619	1.00	63,683	14,300	15,965	93,948
1505	6002	64102	Office Assistant Senior	711620	1.00	33,199	10,288	8,322	51,809
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
									0
			TOTAL CURRENT FY CHANGES		2.00	96,882	24,588	24,287	145,757

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:	
Meeting Date:	**October 30, 2003**
Agenda Item #:	**C-2**
Est. Start Time:	**9:30 AM**
Date Submitted:	**10/20/03**

Requested Date: October 30, 2003 **Time Requested:** n/a

Department: Health **Division:** Administration

Contact/s: Carol M. Ford

Phone: 503-988-3674 **Ext.:** 22797 **I/O Address:** 106/14/1400

Presenters: consent calendar

Agenda Title: Amendment to Funds Allocation Agreement between Multnomah County, CareOregon, OCHIN, Clackamas County and Virginia Garcia Clinic.

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

---

1. **What action are you requesting from the Board? What is the department/agency recommendation?** Requesting exemption from normal timeline for agenda placement because time is of the essence in terms of disbursement of funds approved by this Fund Allocation Agreement.

   The Health Department is requesting approval of a simple amendment to the Funds Allocation Agreement among Multnomah County, Clackamas County, Klamath Open Clinics, Virginia Garcia Memorial Clinics, OCHIN and CareOregon.

2. **Please provide sufficient background information for the Board and the public to understand this issue.** .The Funds Allocation Agreement allows for the transfer of Medicaid funds from Multnomah County , Clackamas County, Klamath Open Door Clinic, and Virginia Garcia Memorial Clinics to CareOregon and OCHIN to support the spin-off of OCHIN from CareOregon to a separate not-for-profit organization. A detailed summary of the need for the OCHIN spin-off and the role of Multnomah County and the other OCHIN partners is set forth in the Agenda Placement Request submitted to the Board on October 2, 2003, and attached hereto. Each of the participating agencies has

signed a Funds Allocation Agreement. However, subsequent to October 3, 2003, the date the Board approved the Agreement, an amendment was inserted into the Agreement and approved by all other participating agencies. Therefore, to assure consistency in the Agreement signed by all parties, the Health Department recommends that the Board adopt the amendment, which states as follows: Section D. Invoiced Amount. As soon as practicable, CaeOregon will notify all partries of the total amount of Wrap Around Funds for which it has sent invoices to each party and which the party has approved. (the "Invoiced Wrap Around Amount"). This added language is intended to reflect the intent of the parties that if CareOregon sends an incorrect invoice, the participating agency will only pay the correct amount.

3. **Explain the fiscal impact (current year and ongoing).** none

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain:

- **What revenue is being changed and why?**
- **What budgets are increased/decreased?**
- **What do the changes accomplish?**
- **Do any personnel actions result from this budget modification? Explain.**

- **Is the revenue one-time-only in nature?**
- **If a grant, what period does the grant cover?**
- **When the grant expires, what are funding plans?**

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

If a contingency request, explain:

- **Why was the expenditure not included in the annual budget process?**

- **What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?**
- **Why are no other department/agency fund sources available?**
- **Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.**

- **Has this request been made before? When? What was the outcome?**

If grant application/notice of intent, explain:

- **Who is the granting agency?**
- **Specify grant requirements and goals.**
- **Explain grant funding detail – is this a one time only or long term commitment?**
- **What are the estimated filing timelines?**
- **If a grant, what period does the grant cover?**
- **When the grant expires, what are funding plans?**
- **How will the county indirect and departmental overhead costs be covered?**

4. **Explain any legal and/or policy issues involved.** This amendment is necessary to make the contract language approved by the Board and signed by the Chair consistent with the contract language approved and signed by the other participating agencies to the agreement.

5. **Explain any citizen and/or other government participation that has or will take place.** None.

Required Signatures:

Department/Agency Director: Gillian Shirley **Date: 10/20/03**

Budget Analyst

By:_____ **Date:**

Dept/Countywide HR

By:_____ **Date:**

MULTNOMAH COUNTY CONTRACT APPROVAL FORM

Contract #: 4600004506

Pre-approved Contract Boilerplate (with County Attorney signature) ☒Attached ☐Not Attached Amendment #: 1

CLASS I	CLASS II	CLASS III A
Contracts $75,000 and less per 12 month period	Contracts over $75,000 per 12 month period	☐ Government Contracts (190 Agreement)
☐ Professional Services Contracts	☒ Professional Services Contracts	☐ Expenditure ☐ Non-Expenditure ☐ Revenue
☐ PCRB Contracts ☐ Maintenance Agreements ☐ Licensing Agreements ☐ Public Works Construction Contracts	☐ PCRB Contracts ☐ Maintenance Agreements ☐ Licensing Agreements ☐ Public Works Construction Contracts	**CLASS III B** ☐ Government Contracts (Non-190 Agreement)
☐ Architectural & Engineering Contracts ☐ Revenue Contracts ☐ Grant Contracts ☐ Non-Expenditure Contracts	☐ Architectural & Engineering Contracts ☐ Revenue Contracts ☐ Grant Contracts ☐ Non-Expenditure Contracts	☐ Expenditure ☐ Non-Expenditure ☐ Revenue ☐ Interdepartmental Contracts

Department: Health Department Division: Directors Office Date: 10/20/03
Originator: Carol Ford Phone: x22797 Bldg/Rm: 106/14
Contact: LaRisha Baker Phone: x27499 Bldg/Rm: 106/14
Description of Contract: Amendment to revise language in section "D. "

RENEWAL: ☐ PREVIOUS CONTRACT #(S):
RFP/BID: RFP/BID DATE:
EXEMPTION #: ORS/AR #:
EFFECTIVE DATE: EXPIRATION DATE:
CONTRACTOR IS: ☐ MBE ☐ WBE ☐ ESB ☐ QRF State Cert# or ☐ Self Cert ☐ Non-Profit ☒ N/A *(Check all boxes that apply)*

Contractor: CareOregon
Address: 522 SW 5th Ave., Suite 200
City/State: Portland, OR
ZIP Code: 97227
Phone:
Employer ID# or SS#: 20-0195556
Contract Effective Date: 10/02/03 Term Date: 10/01/03
Amendment Effect Date: New Term Date:

Original Contract Amount: $1,1867,000
Total Amt of Previous Amendments: $
Amount of Amendment: $0
Total Amount of Agreement $: $1,867,000

Dave Ford, CareOregon
Remittance address
(If different)
Payment Schedule / Terms
☐ Lump Sum $ ☐ Due on Receipt
☐ Monthly $ ☐ Net 30
☐ Other $ ☐ Other
☐ Requirements Funding Info:
Original Requirements Amount $
Total Amt of Previous Amendments $
Requirements Amount Amendment $
Total Amount of Requirements $

REQUIRED SIGNATURES:

Department Manager	Lillian Shirley	DATE 10/20/03
Purchasing Manager		DATE
County Attorney		DATE 10/20/03
County Chair		DATE 10/30/03
Sheriff		DATE
Contract Administration		DATE

COMMENTS:

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # C-2 DATE 10-30-03
DEBORAH L. BOGSTAD, BOARD CLERK

Exhibit A, Rev. 03/07/03

MULTNOMAH COUNTY CONTRACT APPROVAL FORM

Contract #: 4600004508

Pre-approved Contract Boilerplate (with County Attorney signature) ☒Attached ☐Not Attached Amendment #: 1

CLASS I	CLASS II	CLASS III A
Contracts $75,000 and less per 12 month period	Contracts over $75,000 per 12 month period	☐ Government Contracts (190 Agreement)
☐ Professional Services Contracts ☐ PCRB Contracts ☐ Maintenance Agreements ☐ Licensing Agreements ☐ Public Works Construction Contracts ☐ Architectural & Engineering Contracts ☐ Revenue Contracts ☐ Grant Contracts ☐ Non-Expenditure Contracts	☒ Professional Services Contracts ☐ PCRB Contracts ☐ Maintenance Agreements ☐ Licensing Agreements ☐ Public Works Construction Contracts ☐ Architectural & Engineering Contracts ☐ Revenue Contracts ☐ Grant Contracts ☐ Non-Expenditure Contracts	☐ Expenditure ☐ Non-Expenditure ☐ Revenue **CLASS III B** ☐ Government Contracts (Non-190 Agreement) ☐ Expenditure ☐ Non-Expenditure ☐ Revenue ☐ Interdepartmental Contracts

Department: Health Department Division: Directors Office Date: 10/20/03
Originator: Carol Ford Phone: x22797 Bldg/Rm: 106/14
Contact: LaRisha Baker Phone: x27499 Bldg/Rm: 106/14
Description of Contract: Amendment to revise language in section "D. "

RENEWAL: ☐ PREVIOUS CONTRACT #(S):
RFP/BID: RFP/BID DATE:
EXEMPTION #: ORS/AR #:
EFFECTIVE DATE: EXPIRATION DATE:
CONTRACTOR IS: ☐ MBE ☐ WBE ☐ ESB ☐ QRF State Cert# or ☐ Self Cert ☐ Non-Profit ☒ N/A *(Check all boxes that apply)*

Contractor	Oregon Community Health Information Network Inc.
Address	522 SW 5th Ave., Suite 400
City/State	Portland, OR
ZIP Code	97227
Phone	
Employer ID# or SS#	20-0195556
Contract Effective Date	10/02/03 Term Date 10/01/04
Amendment Effect Date	New Term Date
Original Contract Amount	$2,000,000
Total Amt of Previous Amendments	$
Amount of Amendment	$0
Total Amount of Agreement $	$2,000,000

Mike Leahy, OCHIN
Remittance address
(If different)

Payment Schedule / Terms
☐ Lump Sum $ ☐ Due on Receipt
☐ Monthly $ ☐ Net 30
☐ Other $ ☐ Other

☐ Requirements Funding Info:

Original Requirements Amount	$
Total Amt of Previous Amendments	$
Requirements Amount Amendment	$
Total Amount of Requirements	$

REQUIRED SIGNATURES:

Department Manager	Lillian Shirley	DATE 10/20/03
Purchasing Manager		DATE
County Attorney		DATE 10/20/03
County Chair		DATE 10.30.03
Sheriff		DATE
Contract Administration		DATE

COMMENTS:

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # C-2 DATE 10-30-03
DEBORAH L. BOGSTAD, BOARD CLERK

Exhibit A, Rev. 03/07/03

FUNDS ALLOCATION AGREEMENT

This is an agreement among Multnomah County, Oregon ("Multnomah"), CareOregon, Inc., an Oregon nonprofit corporation ("CareOregon"), and Oregon Community Health Information Network Inc., an Oregon nonprofit corporation ("OCHIN"), Clackamas County Health Department, Virginia Garcia Memorial Health Clinics, and Klamath Open Door Clinic.

BACKGROUND

Multnomah provides or oversees the provision of health care to indigent populations as part of its operations. In order to better serve those populations, Multnomah has urged and supported the establishment of a computerized health practice management system.

CareOregon operates a health plan established primarily to serve indigent populations. With the support of Multnomah and other entities providing indigent care, CareOregon established a computerized health practice management system for use by multiple clinics (the "Practice Management System") in 2001. CareOregon has experienced losses in operating the Practice Management System and intends to divest the Practice Management System and related operations in a transfer of assets and contract obligations to OCHIN (the "OCHIN Spin-Off"). CareOregon has obtained an independent appraisal that found that the Practice Management System had no value as an independent business. Multnomah believes it is in its own best interests, and the interests of indigent care clinics, for OCHIN to obtain and operate the Practice Management System on a not-for-profit basis.

Multnomah is a party to an intergovernmental transfer agreement (the "IGT") with the Oregon Department of Human Services, providing for reimbursement of costs incurred to establish the Practice Management System. Multnomah anticipates receiving up to $3.6 million in payments under the IGT, and would like to allocate the IGT funds among itself, CareOregon, and OCHIN, in a manner to facilitate the OCHIN Spin-Off and fund the initial operations of OCHIN. It is important to Multnomah as a user of the Practice Management System that the Practice Management System remain available.

As a health plan, CareOregon pays health care providers for services to covered individuals. The clinics that use the Practice Management System include Multnomah County Health Department, CareOregon, Inc., Oregon Community Health Information Network Inc., Clackamas County Public Health Division, Virginia Garcia Memorial Health Center, and Klamath Open Door Clinic, all of which are federally qualified health care centers (FQHCS) that bill CareOregon for services to indigent populations. CareOregon is in the process of retroactively adjusting certain reimbursement rates for payments previously made to providers. As a result of this adjustment, participating providers are expected to receive up to $1.883 million from the federal government as FQHC wrap around funds (the "Wrap Around Funds"), which in turn will be refunded to CareOregon.

TERMS

In consideration of the benefits to accrue to the providers from the continued availability of the Practice Management System, the benefits to CareOregon of no longer having to fund operations of the Practice Management System, and the mutual covenants set forth below, the

parties agree as follows:

A. Allocation of Funds by Multnomah County. Multnomah will allocate the funds it receives under the IGT relating to the Practice Management System (the "IGT Funds"), and Wrap Around Funds among the parties as follows:

1. Multnomah will allocate and pay to CareOregon IGT Funds and Wrap Around Funds of an estimated $1.9 million. The exact amount will be determined by the difference between $2.5 million and the amounts specified in D below.

2. Multnomah will allocate and pay $2.0 million of the IGT Funds as received by Multnomah under the current IGT contract to OCHIN.

B. Payment of allocated funds by Multnomah County. Multnomah will pay allocated funds to OCHIN and CareOregon as follows:

1. Multnomah will transfer to CareOregon upon the effective date of this agreement Wrap Around Funds in the amount of $500,000. Additional Wrap Around Funds will be transferred to CareOregon as Multnomah receives them

2. Multnomah will retain for its own use the first $250,000 in IGT Funds.

3. Multnomah will pay IGT Funds to OCHIN as they are received in excess of $250,000, up to $2.0 million.

4. Multnomah will pay IGT Funds received in excess of $2.25 million to CareOregon up to $700,000.

5. Any IGT funds received by Multnomah County in excess of $2.95 million will be retained in a dedicated fund to be established by OCHIN and Multnomah County and held specifically for IGT audit contingency and to support the implementation of an Electronic Medical Record system by OCHIN.

C. Wrap Around Funds to be allocated and paid by other CareOregon parties. Other CareOregon parties will allocate and pay to CareOregon Wrap Around Funds in the following approximate amounts, as each party receives such funds (with the exact amount to be the Invoiced Wrap Around Amount, as defined below):

1. Clackamas County Public Health Division $395,500

2. Virginia Garcia Memorial Health Center $146,130

3. Klamath Open Door Clinic $56,800

D. Invoiced Amount. As soon as practicable, CareOregon will notify all parties of the total amount of Wrap Around Funds for which it has sent invoices to each party and which the party has approved(the "Invoiced Wrap Around Amount").

E. Condition. It is a condition to payment of any IGT Funds under this agreement that CareOregon and OCHIN shall have entered into a binding agreement to implement the OCHIN Spin-Off.

F. General Provisions

1. Additional Documents. Each party will execute such additional documents as are reasonably requested by any other party in order to complete or confirm the transactions contemplated by this agreement.

2. Arbitration. Any dispute concerning this agreement will be finally settled by arbitration using the rules of Arbitration Service of Portland, Inc., or the commercial arbitration rules of the American Arbitration Association, at the election of the party initiating the arbitration. Arbitration will be conducted in Portland, Oregon, before a single arbitrator. The parties will be entitled to conduct discovery in accordance with the Federal Rules of Civil Procedure as in effect where arbitration occurs, limited to document production and depositions and subject to further limitation by the arbitrator to secure just and efficient resolution of the dispute. If the amount in controversy exceeds $10,000, the arbitrator's decision must include a statement specifying in reasonable detail the basis for and computation of the award, if any. Judgment upon the award may be entered in any court having jurisdiction. Nothing herein, however, prevents either party from resort to a court of competent jurisdiction solely to seek injunctive relief.

3. Assignment. No party may assign any rights or obligations under this agreement without all other parties' consent.

4. Counterparts. This agreement may be executed in counterparts, which together will constitute one agreement. Fax or other electronic transmission of any signed original document, and re-transmission of any signed fax or other electronic transmission, will be deemed equivalent to delivery of an original. At the request of any party, the parties will confirm fax or other electronically transmitted signatures by signing an original document.

5. Entire Agreement. This agreement constitutes the entire agreement and understanding between the parties with respect to its subject matter and supersedes any prior agreement or understanding.

6. Governing Law. This agreement is governed by Oregon law without regard to principles of conflicts of law.

7. Modification and Waiver. No amendment of this agreement or any waiver of its provisions will be deemed to have occurred unless expressed in a writing signed by the party to be bound.

8. Notices. Notices under this agreement must be in writing and will be deemed given when delivered in person or by facsimile transmission promptly

confirmed by mail, one business day after being sent by overnight courier, or four business days after being mailed by registered or certified mail, in each case to the appropriate address below:

Multnomah County Health Department
1120 S.W. Fifth Avenue, 14th Floor
Portland, Oregon 97204
Attention: Carol Ford
Fax: (503) 988-4117

CareOregon, Inc.
522 S.W. Fifth Avenue, Suite 200
Portland, Oregon 97227
Attention: Dave Ford
Fax: (503) 416- 3720

Oregon Community Health Information Network Inc.
522 S.W. Fifth Avenue, Suite 400
Portland, Oregon 97227
Attention: Mike Leahy
Fax: (503) 416-1437

Clackamas County Public Health Division
821 Main St., Ste. 200
Oregon City, OR 97045
Attention: Marina Stansell
Fax: (503) 722-6252

Virginia Garcia Memorial Health Center
85 N 12th St.
PO Box 567
Cornelius, OR 97113
Attention: Gil Munoz
Fax: (503) 357-4371

Klamath Open Door Clinic
3810 South 6th St.
Klamath Falls, OR 97603
Attention: Brian Harris
Fax: (541) 851-8114

Any party may change its address for notices by giving notice of the change to the other parties.

Dated as of the ___ day of October, 2003.

MULTNOMAH COUNTY

By: _____

Title: Diane M. Linn, Multnomah County Chair

REVIEWED:
AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY

BY _____
ASSISTANT COUNTY ATTORNEY

DATE 10/20/03

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # C-2 DATE 10.30.03
DEBORAH L. BOGSTAD, BOARD CLERK

CAREOREGON, INC.

By: _____

Title: _____

OREGON COMMUNITY HEALTH INFORMATION NETWORK INC.

By: _____

Title: _____

CLACKAMAS COUNTY PUBLIC HEALTH DIVISION

By: _____

Title: _____

VIRGINIA GARCIA MEMORIAL HEALTH CENTER

By: _____

Title: _____

KLAMATH OPEN DOOR CLINIC

By: _____

Title: _____

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: October 30, 2003
Agenda Item #: C-3
Est. Start Time: 9:30 AM
Date Submitted: 10/17/03

Requested Date: October 30, 2003 **Time Requested:** N/A

Department: County Human Services **Division:** Business Services

Contact/s: Dr. Peter Davidson & Derald Walker

Phone: 503.988.3691 **Ext.:** 27115 **I/O Address:** 166/7

Presenters: Consent Calendar

Agenda Title: Renewal of Government Revenue Contract (190 Agreement) 0410488 with the State of Oregon Department of Human Services, Funding the County's Mental Health Organization (MHO), Verity, to Provide Adolescent and Adult Mental Health Services through the Oregon Health Medicaid Project

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

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1. **What action are you requesting from the Board? What is the department/agency recommendation**? The Department of County Human Services recommends Board of County Commissioners approval of this revenue agreement for the period October 1, 2003 through September 30, 2004.

2. **Please provide sufficient background information for the Board and the public to understand this issue**. The Department of County Human Services was awarded the contract for the Oregon Health Plan (OHP) Mental Health Organization (MHO), effective November 1997. This agreement continues that relationship.

3. **Explain the fiscal impact (current year and ongoing)**. This revenue agreement provides a monthly Capitation Payment for each OHP Member, for the period beginning on the date of Enrollment and ending on the date of disenrollment. Capitation amounts

are listed in the contract in Exhibit L for each OHP Member falling within the designated rate category/county that is enrolled with Contractor for the full month. Dollars will come to the County on the basis of a capitated rate per eligible member, for each month that member is enrolled in the County's plan. Estimated revenue of $27,336,660 for the period of October 1, 2003 through September 30, 2004.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain:

- **What revenue is being changed and why?**
- **What budgets are increased/decreased?**
- **What do the changes accomplish?**
- **Do any personnel actions result from this budget modification? Explain.**
- **Is the revenue one-time-only in nature?**
- **If a grant, what period does the grant cover?**
- **When the grant expires, what are funding plans?**

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

If a contingency request, explain:

- **Why was the expenditure not included in the annual budget process?**
- **What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?**
- **Why are no other department/agency fund sources available?**
- **Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.**
- **Has this request been made before? When? What was the outcome?**

If grant application/notice of intent, explain:

- **Who is the granting agency?**
- **Specify grant requirements and goals.**
- **Explain grant funding detail – is this a one time only or long term commitment?**
- **What are the estimated filing timelines?**
- **If a grant, what period doest the grant cover?**
- **When the grant expires, what are funding plans?**
- **How will the county indirect and departmental overhead costs be covered?**

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

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

Required Signatures:

Department/Agency Director: *Patricia K, Pate* **Date: 09/25/03**

Hey Deb –

The original signature pages went to the State with the original agreement. Enclosed are 2 copies of the signature page for the Board approval. These will be attached to the original signature pages when we receive them back from the State. Please let me know if this will be a problem for you. This isn't the ideal way for this document to have been processed, but the State only gave us a two-week turnaround time or they were going to hold up our funding starting Oct. 1st.

Thanks, Kristie

MULTNOMAH COUNTY CONTRACT APPROVAL FORM

(See Administrative Procedure CON-1)

Contract #: **0410488**

Pre-approved Contract Boilerplate (with County Attorney signature) [] Attached [X] Not Attached

Amendment #: **0**

Class I	Class II	Class III A
Contracts $75,000 and less per 12 month period	Contracts over $75,000 per 12 month period	[X] Government Contracts (190 Agreement)
[] Professional Services Contracts	[] Professional Services Contracts	[] Expenditure [] Non-Expenditure [X] Revenue
[] PCRB Contracts [] Maintenance Agreements [] Licensing Agreements [] Public Works Construction Contracts	[] PCRB Contracts [] Maintenance Agreements [] Licensing Agreements [] Public Works Construction Contracts	**Class III B** [] Government Contracts (Non-190 Agreement)
[] Architectural & Engineering Contracts	[] Architectural & Engineering Contracts	[] Expenditure [] Non-Expenditure [] Revenue
[] Revenue Contracts [] Grant Contracts [] Non-Expenditure Contracts	[] Revenue Contracts [] Grant Contracts [] Non-Expenditure Contracts	[] Interdepartmental Contracts

Department:	County Human Services	Division:	Mental Health/Addiction Services	Date:	September 16, 2003
Originator:	Al Stickel	Phone:	84135	Bldg/Rm:	166/7
Contact:	Lynn Ervins	Phone:	26644	Bldg/Rm:	166/5

Description of Contract **Renewal of Intergovernmental Revenue Agreement for Multnomah County's Mental Health Organization (MHO), Verity, to provide child, adolescent and adult mental health services through the Oregon Health Medicaid Project.**

RENEWAL: [X] PREVIOUS CONTRACT #(S): 0310341

RFP/BID: N/A RFP/BID DATE:

EXEMPTION #

EFFECTIVE DATE: EXPIRATION DATE: ORS/AR #:

CONTRACTOR IS: [] MBE [] WBE [] ESB [] QRF State Cert# or [] Self Cert [] Non-Profit [] N/A *(Check all boxes that apply)*

Contractor **Department of Human Services/Oregon Mental Health Services Division**

Address **500 Summer Street NE, E03**

City/State **Salem OR**

Zip Code **97301-1080**

Phone **503.945.5818**

Employer ID# or SS# **93-0576060**

Remittance Address *(If different)*

Payment Schedule / Terms

[] Lump Sum $ [] Due on Receipt

[x] Monthly [] Net 30

$ **Capitation Payment**

[] Other $ [] Other

Contract Effective Date **October 1, 2003** Term Date **September 30, 2004**

Amendment Effect Date New Term Date

[] Requirements Funding Info:

Original Contract Amount $	**28,140,601 Estimated****	Original Requirements Amount	$
Total Amt of Previous Amendments $	**0**	Total Amt of Previous Amendments	$
Amount of Amendment $	**0**	Requirements Amount Amendment:	$
Total Amount of Agreement $	**28,140,601 Estimated****	Total Amount of Requirements	$

** Revenue amount will be based on a Capitation Payment determined by the number of enrolled members and the cost of provided services. The State did not establish an annual amount.

REQUIRED SIGNATURES

Department Manager		DATE 9/25/03
Purchasing Manager		DATE
County Attorney	Patrick W. Henry	DATE 10/15/03
County Chair		DATE 10.30.03
Sheriff		DATE
Contract Administration		DATE

APPROVED MULTNOMAH COUNTY
BOARD OF COMMISSIONERS

COMMENTS: SAP VENDOR CODE: 200647

AGENDA # C-3 DATE 10-30-03

DEBORAH L. BOGSTAD, BOARD CLERK

S:\admin\Ceu\ceuStartFY0304\CpuREV\MHOverityagrementcaf.doc

IV. Signatures

In witness, the parties listed below have caused this Agreement to be executed by their duly authorized officers.

Contractor:
Multnomah County

Diane Linn, Chairperson Date
Board of County Commissioners

Patricia K. Pate, Director Date
Department of County Human Services

Agnes Sowle Date
Multnomah County Counsel

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # C-3 DATE 10-30-03
DEBORAH L. BOGSTAD, BOARD CLERK

DHS, Office of Mental Health and Addiction Services:

Authorized Signature Date
Madeline Olson, Asst. Administrator
Office of Mental Health and Addiction Services

Approved as to Legal Sufficiency:

Assistant Attorney General Date

Reviewed:

DHS Contracts Coordinator Date

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: October 30, 2003
Agenda Item #: C-4
Est. Start Time: 9:30 AM
Date Submitted: 09/29/03

Requested Date: 10/30/03 **Time Requested:** N/A

Department: Business and Community Services **Division:** Land Use & Transportation

Contact/s: Ed Abrahamson

Phone: (503) 988-5050 **Ext.:** 29620 **I/O Address:** Bldg. 455

Presenters: Consent Calendar

Agenda Title: Government Expenditure Contract (190 Agreement) 4600004511 with the City of Gresham, to Retrofit Existing Sumps and Construct Storm Sump System on SE Stark Street (between SE 181st Avenue and 190th Avenue) in Conjunction with the City of Gresham's SE Stark Street Improvement Project

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

---

1. **What action are you requesting from the Board? What is the department/agency recommendation?**

   Approval of Governmental Agreement between the City of Gresham and Multnomah County. The Department recommends approval.

2. **Please provide sufficient background information for the Board and the public to understand this issue.**

   The purpose of agreement is to permit the retrofit of existing sumps and to construct a storm sump system on SE Stark St. (between SE 181st Ave. and 190th Ave.) in conjunction with the City of Gresham's Stark Street Improvement Project. The City of Gresham is constructing SE Stark St. to a boulevard design. The storm water work needs to be completed as part of the boulevard construction.

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

The County will pay City of Gresham $150,000 to retrofit existing sumps and to construct storm sump system as part of the Stark St. Improvement project. The County will pay the City $75,000 upon award of contract, and the County will pay balance (up to $75,000) upon completion and acceptance of work by the County. The Project is budgeted in FY 04 Capital Program.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain: N/A

- **What revenue is being changed and why?**
- **What budgets are increased/decreased?**
- **What do the changes accomplish?**
- **Do any personnel actions result from this budget modification? Explain.**

- **Is the revenue one-time-only in nature?**
- **If a grant, what period does the grant cover?**
- **When the grant expires, what are funding plans?**

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

If a contingency request, explain: N/A

- **Why was the expenditure not included in the annual budget process?**

- **What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?**
- **Why are no other department/agency fund sources available?**
- **Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.**

- **Has this request been made before? When? What was the outcome?**

If grant application/notice of intent, explain: N/A

- **Who is the granting agency?**
- **Specify grant requirements and goals.**
- **Explain grant funding detail – is this a one time only or long term commitment?**
- **What are the estimated filing timelines?**
- **If a grant, what period does the grant cover?**
- **When the grant expires, what are funding plans?**
- **How will the county indirect and departmental overhead costs be covered?**

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.**

N/A

Required Signatures:

Department/Agency Director: M. Cecilia Johnson **Date: 10/02/03**

Budget Analyst

By:_____ **Date:**

Dept/Countywide HR

By:_____ **Date:**

MULTNOMAH COUNTY CONTRACT APPROVAL FORM

Contract #: 4600004511

Pre-approved Contract Boilerplate (with County Attorney signature) ☒Attached ☐Not Attached Amendment #:

CLASS I	CLASS II	CLASS III A
Contracts $75,000 and less per 12 month period	Contracts over $75,000 per 12 month period	☐ Government Contracts (190 Agreement)
☐ Professional Services Contracts ☐ PCRB Contracts ☐ Maintenance Agreements ☐ Licensing Agreements ☐ Public Works Construction Contracts ☐ Architectural & Engineering Contracts ☐ Revenue Contracts ☐ Grant Contracts ☐ Non-Expenditure Contracts	☐ Professional Services Contracts ☐ PCRB Contracts ☐ Maintenance Agreements ☐ Licensing Agreements ☐ Public Works Construction Contracts ☐ Architectural & Engineering Contracts ☐ Revenue Contracts ☐ Grant Contracts ☐ Non-Expenditure Contracts	☐ Expenditure ☐ Non-Expenditure ☐ Revenue **CLASS III B** ☒ Government Contracts (Non-190 Agreement) ☒ Expenditure ☐ Non-Expenditure ☐ Revenue ☐ Interdepartmental Contracts

Department: Business and Community Services Division: Land Use & Trans Program Date: 09/25/03
Originator: Ed Abrahamson Phone: x29620 Bldg/Rm: 455/Annex
Contact: Cathey Kramer Phone: x22589 Bldg/Rm: 455/Annex
Description of Contract: Govermental Agreement with City of Gresham to retrofit existing sumps and construct storm sump system on Stark St. (between SE 181st Ave. and 190th Ave.) in conjunction with the City of Gresham's Stark Street Improvement Project.

RENEWAL: ☐ PREVIOUS CONTRACT #(S):
RFP/BID: RFP/BID DATE:
EXEMPTION #: ORS/AR #:
EFFECTIVE DATE: EXPIRATION DATE:
CONTRACTOR IS: ☐ MBE ☐ WBE ☐ ESB ☐ QRF State Cert# or ☐ Self Cert ☐ Non-Profit ☒ N/A (*Check all boxes that apply*)

Contractor	City of Gresham		
Address	1333 NW Eastman Pkwy.	Remittance address (*If different*)	
City/State	Gresham, OR		
ZIP Code	97030	Payment Schedule / Terms	
Phone	503-661-3000	☐ Lump Sum $	☐ Due on Receipt
Employer ID# or SS#		☐ Monthly $	☐ Net 30
Contract Effective Date	10/31/03 Term Date 05/01/05	☒ Other $	☐ Other
Amendment Effect Date	New Term Date	☐ Requirements Funding Info:	
Original Contract Amount	$150,000.00	Original Requirements Amount	$
Total Amt of Previous Amendments	$	Total Amt of Previous Amendments	$
Amount of Amendment	$	Requirements Amount Amendment	$
Total Amount of Agreement $	$150,000.00	Total Amount of Requirements	$

REQUIRED SIGNATURES:

Department Manager	/S/ Cathey Johnson	DATE 10/02/03
Purchasing Manager		DATE
County Attorney	Matthew O. Ryan	DATE 10/05/03
County Chair	Diane M. Linn	DATE 10/30/03
Sheriff		DATE
Contract Administration		DATE

COMMENTS: TRANPIGAR520

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # C-4 DATE 10-30-03
DEBORAH L. BOGSTAD, BOARD CLERK

Exhibit A, Rev. 03/07/03

MULTNOMAH COUNTY OREGON

IGA Contract

Vendor Address

GRESHAM CITY OF
1333 NW EASTMAN PKWY
GRESHAM OR 97030-3813

Information

Contract Number	4600004511
Date	09/26/2003
Vendor No.	11913
Contact/Phone	BCS Transport'n / X26798
Validity Period:	10/31/2003 - 05/01/2005
Minority Indicator:	Not Identified

Estimated Target Value: 150,000.00 USD

Item	Material/Description	Target Qty	UM	Unit Price
0001	IGA w/Gresham-Storm Sump System-Stark St Plant: F030 Business & Community Service Requirements Tracking Number: 999 *Governmental Agreement with the City of Gresham to retrofit existing sumps and construct storm sump system on SE Stark Street (SE181st - 190th) in conjunction with the City of Gresham's Stark Street Improvement Project.* *Contact Person: Ed Abrahamson* *Effective Date: 10/31/03 - 05/01/05* *(WBS: TRANPIGAR520)*	150,000.000	Dollars	$ 1.0000

GOVERNMENT CONTRACT (Non-190 AGREEMENT)
No. 4600004511

This is an Agreement between the City of Gresham (CITY) and Multnomah County, Oregon (County).

PURPOSE:

The purpose of this agreement is to retrofit existing sumps and construct a storm sump system on Stark Street between SE 181st Ave. and SE 190th Ave., in conjunction with the City of Gresham SE 181st Ave. – SE 190th Ave. (Gresham Sec.) Stark Street Improvement Project – CITY project No. 517100 – FHA Project No. X-HPP-STP-3125(23) (the Project). The CITY is reconstructing the street to a boulevard design. The storm water work needs to be completed as part of the boulevard construction.

RECITALS:

1. This Project to retrofit and construct a storm sump system furthers a joint goal of both the City and the County and furthers the public interest to improve and update the storm sewer system along SE Stark Street.

2. To facilitate the efficient management and operation of this Project, the City and the County have agreed that all work performed pursuant to this Agreement shall be done in accordance with the City's design standards and bid specifications for storm water facilities upgrades in effect on the date of the execution of this Agreement and further described in the Project specifications and drawings.

The parties agree as follows:

1. **TERM.** The term of this agreement shall be from October 31, 2003 to May 1, 2005. If the Project is not completed by this date, CITY & County can mutually agree to extend the terms of this IGA.

2. **RESPONSIBILITIES OF CITY.**

   a. The CITY will advertise and select a bidder via the Oregon Department of Transportation (ODOT) Contractor selection process.

   b. The CITY will be responsible for retrofitting existing sumps and constructing a storm sump system on SE Stark Street between SE 181st Ave. and SE 190th Ave. according to the agreed upon standards and specifications as referenced in the Recitals above.

   c. The CITY will retrofit up to 15 sumps based on a priority list provided by the COUNTY, starting with the highest priority (1) and working down the list to 15, until the $150,000 provided by the County is expended. In the event that COUNTY funds are expended and one or more existing sumps remain and are not upgraded as described in this recital, CITY will direct its contractor to complete catch basin replacements and connections as specified in the Project plans. County will upgrade said remaining sumps as future maintenance funds are available.

   d. CITY will notify COUNTY of any specification changes regarding the storm water upgrade for COUNTY's approval before construction.

e. City will not allow or perform any work on the Project contrary to the agreed upon standards and specifications without first obtaining the written consent of the County. If unforeseen conditions require said sump system be modified or otherwise altered, CITY and COUNTY will cooperate in finding adequate resolution. If a dispute over methods or work products in general develops, CITY and COUNTY will share cost in hiring an independent licensed engineer with experience in storm water system construction to determine resolution. Moreover, if a question of the system meeting standards is under dispute, said independent engineer will make a determination regarding adherence to standards and specifications.

f. CITY will notify COUNTY when construction commences on storm water facilities to allow for COUNTY's inspection of facilities.

g. CITY will use the COUNTY funds described in this recital for actual storm system construction and CITY administration and inspection costs associated with the sump system work. CITY will work to keep inspection and administration to a minimum.

3. **RESPONSIBILITIES OF COUNTY.**

a. The County agrees to pay CITY up to $150,000 to retrofit existing sumps and construct a storm sump system on SE Stark St. between SE 181st Ave. and SE 190th Ave. according to Gresham standards and bid specifications and further described in the Project specifications and drawings.

b. The COUNTY will provide a priority list (ATTACHMENT A) of sumps to be retrofit. COUNTY has reviewed and agreed to Gresham standards and bid specifications for the storm water upgrades.

c. COUNTY upon receipt of timely notice will inspect constructed facilities and indicate acceptance within three (3) business days of completed construction of each facility.

d. COUNTY will sign and stripe SE Stark St. from 181st to 190th as depicted in the Project plans. COUNTY will bill CITY for said work on a time and materials basis as is customary in CITY / COUNTY relationship.

4. **TERMINATION.** This agreement may be terminated by either party upon 30 days written notice. If this agreement is terminated, CITY agrees to return any unspent portion of the $75,000 deposit outlined in Section 12 below. Upon termination, County agrees to compensate CITY in full up to $150,000 for any amount in excess of the $75,000 the CITY owes the CITY's contractor for sump work completed consistent with the specifications prior to the termination including any work necessary to complete sump retrofit and storm system work actually under construction at the time the CITY receives notice of termination.

5. **INDEMNIFICATION.** Subject to the conditions and limitations of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300, County shall indemnify, defend and hold harmless CITY from and against all liability, loss and costs arising out of or resulting from the acts of County, its officers, employees and agents in the performance of this agreement. Subject to the conditions and limitations of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300 CITY shall indemnify, defend and hold harmless County from and against all liability, loss and costs arising out of or resulting from the acts of CITY, its officers, employees and agents in the performance of this agreement.

6. **INSURANCE.** Each party shall each be responsible for providing worker's compensation insurance as required by law. Neither party shall be required to provide or show proof of any other insurance coverage.

7. **ADHERENCE TO LAW.** Each party shall comply with all federal, state, and local laws and ordinances applicable to this agreement.

8. **NON-DISCRIMINATION.** Each party shall comply with all requirements of federal and state civil rights and rehabilitation statutes and local non-discrimination ordinances.

9. **ACCESS TO RECORDS.** Each party shall have access to the books, documents, and other records of the other which are related to this agreement for the purpose of examination, copying and audit, unless otherwise limited by law.

10. **SUBCONTRACTS AND ASSIGNMENT.** The CITY will advertise and select a bidder via the Oregon Department of Transportation (ODOT) Contractor selection process. The CITY's selected contractor will complete the storm system work described in this recital under the direction of the CITY's project manager.

11. **THIS IS THE ENTIRE AGREEMENT.** This Agreement constitutes the entire Agreement between the parties. This Agreement may be modified or amended only by the written agreement of the parties.

12. **ADDITIONAL TERMS AND CONDITIONS:**

    a. COUNTY will pay CITY $75,000 upon award of contract as provided by Section 10.

    b. CITY will invoice COUNTY for storm water upgrades. Invoice will include location and priority number of each sump.

    c. COUNTY will pay balance, up to $75,000, upon completion of work and acceptance by the County that the work has been constructed to the agreed upon standards and specifications.

    d. COUNTY will be responsible for sump system registration and all DEQ permitting.

MULTNOMAH COUNTY, OREGON

By _____
Diane Linn

Title Chair

Reviewed:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By Matthew O. Ryan, Deputy Attorney

CITY OF GRESHAM

By _____
Charles J. Becker

Title Mayor

Approved as to form:

_____
City Attorney

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: October 30, 2003
Agenda Item #: C-5
Est. Start Time: 9:30 AM
Date Submitted: 09/29/03

Requested Date: October 30, 2003 **Time Requested:** N/A

Department: DCS **Division:** Tax Title

Contact/s: Gary Thomas

Phone: 503-988-3590 **Ext.:** 22591 **I/O Address:** 503/4 Tax Title

Presenters: Consent Calendar

Agenda Title: RESOLUTION Setting the Public Hearing date of November 13, 2003 for the Proposed Transfer of Tax Foreclosed Property to the City of Portland for Non Housing Purposes and Authorizing a Publication of the Public Notice in the Daily Journal of Commerce

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.)

---

1. **What action are you requesting from the Board? What is the department/agency recommendation?**
The Department of Community Services, Tax Title Division, requests the Board of County Commissioners to set November 13, 2003 as a date to receive public testimony concerning the proposed transfer of a Tax Foreclosed Property identified in the attached Exhibit A, to the City of Portland, Parks and Recreation Department for non-housing purposes. Further, the Department requests the board to authorize the publication of the required notice for the proposed hearing. This request is undertaken pursuant to ORS 271.330(5) and MCC Section 7.407(E).

2. **Please provide sufficient background information for the Board and the public to understand this issue.**
The subject property came into Multnomah County ownership through the foreclosure of delinquent tax liens on September 26, 2000. The parcel is mostly rectangular in shape and contains approximately 26,500 square feet. It is located in an old subdivision in NW

Portland, Whitwood Court Subdivision that was plotted in the early 1900's but was never fully developed. Although there are streets shown on the plat map few of them to the north of the subject property have ever been developed. The area is located off Germantown Road above NW St Helens Road and the subject is adjacent to Forest Park.

The physical makeup of the property consists of older trees, shrubs, and ferns. The growth is so thick at this time of year that it is difficult to show what it consists of as evidenced by the attached photos. In addition, the parcel slopes steeply down from Springville Road to the north with very limited access.

The attached Exhibit B is a copy of the plat map that shows the shape and location of the parcel. An aerial photo, Exhibit C, shows the property in relation to the adjacent Forest Park and NW St Helens Road. Two photos, Exhibit D, show the physical makeup of the parcel

The property was included on the most recent list of foreclosed properties made available to different government agencies. The City of Portland expressed an interest in the property but failed to submit a request for transfer in a timely manner. They have since submitted a letter requesting the property with a proposed use of habitat park and natural area.

3. **Explain the fiscal impact (current year and ongoing).**
The Tax Title Fund has incurred expenses associated with preparation of application materials, processing transfer requests, and preparation of Board documents. Future costs will include newspaper publications, recording fees, and preparation of Board documents. The proposed transfer of these properties at present does not provide for reimbursement to the County for these costs.

4. **Explain any legal and/or policy issues.**
No legal issues are expected.

5. **Explain any citizen and/or other government participation that has or will take place.**
Notice of this transfer hearing will be published in a newspaper for one day in two successive weeks.

The Daily Journal of Commerce, Public Notice Section
Dates of publication: October 31st and November 7th.

Required Signatures:

M. Cecilia Johnson

Department/Agency Director: **Date: 09/25/03**

Exhibit A

CITY OF PORTLAND, PARKS AND RECREATION DEPARTMENT

PARCEL NO. 1:

Legal Description:

Lots 8,9,10, 11, and 12, Subdivision of Lots 1 through 4, Block 19, WHITWOOD COURT, in the City of Portland, County of Multnomah and State of Oregon.

Multnomah County Deed No.:	**D041933**
Tax Account No.:	**R305706**
Type or Use:	**Parks Natural Area**
Taxes:	**$961.74**
Expenses:	**$0.00**

Exhibit B

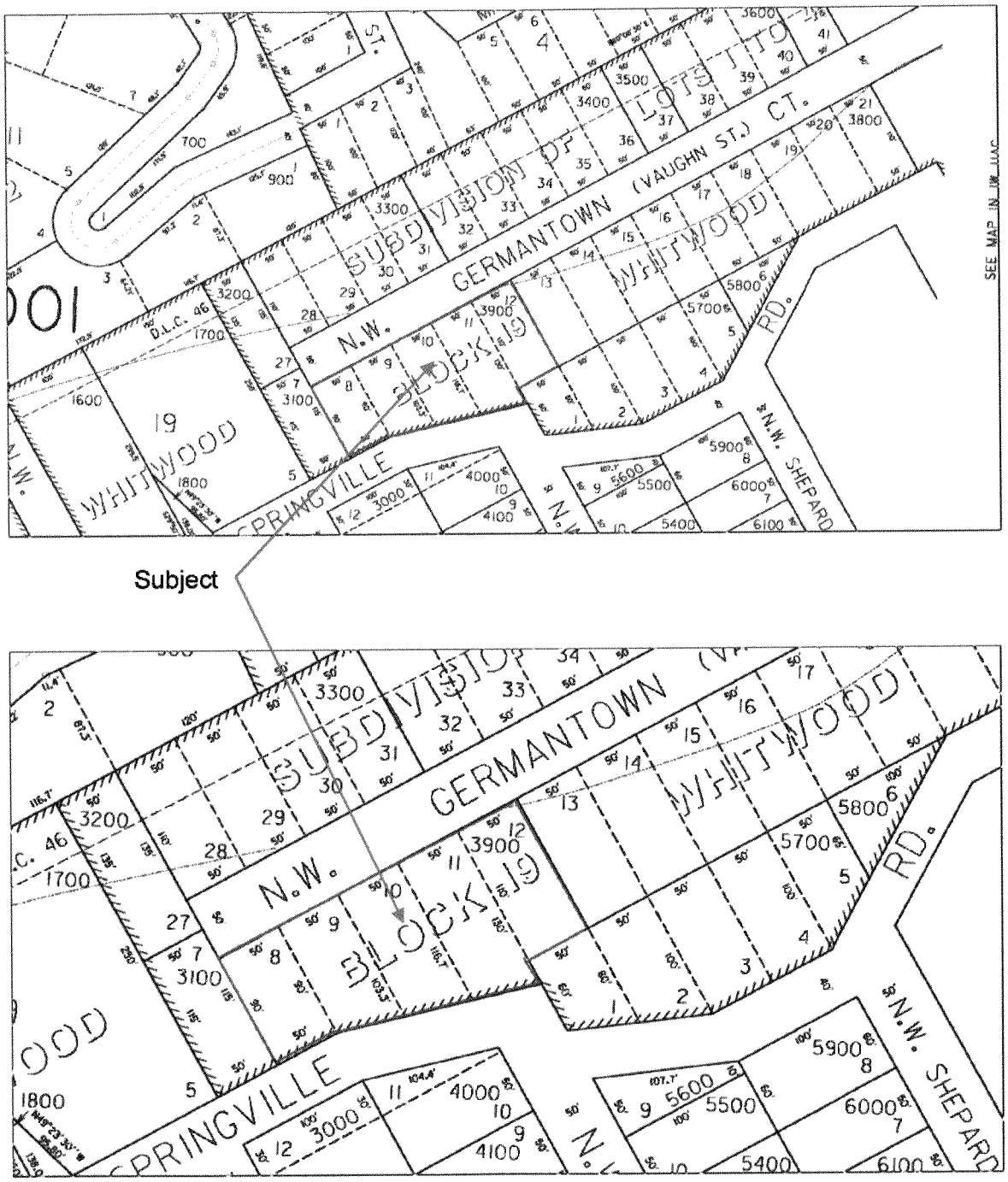
Subject
GERMANTOWN (VAUGHN ST.) CT.
N.W. SHEPARD RD.
N.W. BLOCKS
SPRINGVILLE
WHITWOOD
SUBDIVISION OF LOTS 1 TO 41
SEE MAP IN BK 144

Exhibit C

Forest Park

Subject

Exhibit D

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO._____

Setting the Public Hearing Date of November 13, 2003, for the Proposed Transfer of a Tax Foreclosed Property to the City of Portland, Parks and Recreation Department for Non-Housing Purposes and Authorizing the Publication of the Public Notice

The Multnomah County Board of Commissioners Finds:

a) ORS 271.330 and Multnomah County Code Chapter 7 allow for transfer of Tax Foreclosed Real Property to governmental bodies provided the property is used for a public purpose. The County has received a request from the City of Portland, Parks and Recreation Department for transfer of the property described in the attached Exhibit A as authorized under state law and the county code.

b) Pursuant to MCC Section 7.407(D) the Department of Community Services, Tax Title Division, issued a report dated October 30, 2003 to the County Board of Commissioners regarding the proposed transfer of tax foreclosed property to the City of Portland. The Department's report is attached and is identified as the "Agenda Placement Request" to this Resolution.

The Multnomah County Board of Commissioners Resolves:

1. Pursuant to ORS 271.330(5) and MCC 7.407(E) the City of Portland's request for transfer of the tax foreclosed property described on Exhibit A for non-housing purposes is set for hearing before this Board on November 13, 2003 at 9:30 a.m.

2. The Multnomah County Tax Title Division is directed to publish notice of the public hearing attached as Exhibit B in compliance with ORS 271.330(5) and MCC 7.407(E).

ADOPTED this 30th day of October 2003.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

_____
Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By _____
Christopher D. Crean, Assistant County Attorney

EXHIBIT A (RESOLUTION)

CITY OF PORTLAND, PARKS AND RECREATION DEPARTMENT

PARCEL NO. 1:

Legal Description:

Lots 8,9,10, 11, and 12, Subdivision of Lots 1 through 4, Block 19, WHITWOOD COURT, in the City of Portland, County of Multnomah and State of Oregon.

Multnomah County Deed No.:	**D041933**
Tax Account No.:	**R305706**
Type or Use:	**Parks Natural Area**
Taxes:	**$961.74**
Expenses:	**$0.00**

EXHIBIT B (RESOLUTION)

NOTICE OF PUBLIC HEARING
BEFORE THE MULTNOMAH COUNTY BOARD OF COMMISSIONERS

TIME: 9:30 a.m., Thursday, November 13, 2003

PLACE: The Multnomah Building, Room 100
501 SE Hawthorne Blvd, Portland, Oregon

SUBJECT: Proposed Transfer of a Multnomah County owned property listed below, to a Government Agency to be used for public purposes as authorized under ORS 271.330 and Multnomah County Code Chapter 7. The Government Agency requesting the property and the description of the property proposed for transfer is as follows:

To the CITY OF PORTLAND, PARKS AND RECREATION DEPARTMENT, for public purposes:

Tax Account No. R305706

Lots 8,9,10, 11, and 12, Subdivision of Lots 1 through 4, Block 19, WHITWOOD COURT, in the City of Portland, County of Multnomah and State of Oregon.

TO OBTAIN A COPY OF THE COUNTY STAFF REPORT ON THIS PROPOSED TRANSFER CONTACT: Multnomah County Tax Title Division at (503) 988-3590.

OBJECTIONS OR COMMENTS TO THE PROPOSED TRANSFER: Will be heard at the date, time and location set forth above, or as soon thereafter on that date as the matter may be heard, that being the time and place of the regular weekly meeting of the Multnomah County Board of Commissioners.

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 03-150

Setting the Public Hearing Date of November 13, 2003, for the Proposed Transfer of a Tax Foreclosed Property to the City of Portland, Parks and Recreation Department for Non-Housing Purposes and Authorizing Publication of the Public Notice

The Multnomah County Board of Commissioners Finds:

a) ORS 271.330 and Multnomah County Code Chapter 7 allow for transfer of Tax Foreclosed Real Property to governmental bodies provided the property is used for a public purpose. The County has received a request from the City of Portland, Parks and Recreation Department for transfer of the property described in the attached Exhibit A as authorized under state law and the county code.

b) Pursuant to MCC Section 7.407(D) the Department of Community Services, Tax Title Division, issued a report dated October 30, 2003 to the County Board of Commissioners regarding the proposed transfer of tax foreclosed property to the City of Portland. The Department's report is attached and is identified as the "Agenda Placement Request" to this Resolution.

The Multnomah County Board of Commissioners Resolves:

1. Pursuant to ORS 271.330(5) and MCC 7.407(E) the City of Portland's request for transfer of the tax foreclosed property described on Exhibit A for non-housing purposes is set for hearing before this Board on November 13, 2003 at 9:30 a.m.

2. The Multnomah County Tax Title Division is directed to publish notice of the public hearing attached as Exhibit B in compliance with ORS 271.330(5) and MCC 7.407(E).

ADOPTED this 30th day of October 2003.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By _____
Christopher D. Crean, Assistant County Attorney

EXHIBIT A (RESOLUTION)

CITY OF PORTLAND, PARKS AND RECREATION DEPARTMENT

PARCEL NO. 1:

Legal Description:

Lots 8,9,10, 11, and 12, Subdivision of Lots 1 through 4, Block 19, WHITWOOD COURT, in the City of Portland, County of Multnomah and State of Oregon.

Multnomah County Deed No.:	**D041933**
Tax Account No.:	**R305706**
Type or Use:	**Parks Natural Area**
Taxes:	**$961.74**
Expenses:	**$0.00**

EXHIBIT B (RESOLUTION)

NOTICE OF PUBLIC HEARING
BEFORE THE MULTNOMAH COUNTY BOARD OF COMMISSIONERS

TIME: 9:30 a.m., Thursday, November 13, 2003

PLACE: The Multnomah Building, Room 100
501 SE Hawthorne Blvd, Portland, Oregon

SUBJECT: Proposed Transfer of a Multnomah County owned property listed below, to a Government Agency to be used for public purposes as authorized under ORS 271.330 and Multnomah County Code Chapter 7. The Government Agency requesting the property and the description of the property proposed for transfer is as follows:

To the CITY OF PORTLAND, PARKS AND RECREATION DEPARTMENT, for public purposes:

Tax Account No. R305706

Lots 8,9,10, 11, and 12, Subdivision of Lots 1 through 4, Block 19, WHITWOOD COURT, in the City of Portland, County of Multnomah and State of Oregon.

TO OBTAIN A COPY OF THE COUNTY STAFF REPORT ON THIS PROPOSED TRANSFER CONTACT: Multnomah County Tax Title Division at (503) 988-3590.

OBJECTIONS OR COMMENTS TO THE PROPOSED TRANSFER: Will be heard at the date, time and location set forth above, or as soon thereafter on that date as the matter may be heard, that being the time and place of the regular weekly meeting of the Multnomah County Board of Commissioners.

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: October 30, 2003
Agenda Item #: C-6
Est. Start Time: 9:30 AM
Date Submitted: 10/09/03

Requested Date: October 30, 2003

Time Requested: N/A

Department: DBCS

Division: Assessment and Taxation

Contact/s: Pat Frahler

Phone: 503-988-3345 **Ext.:** 22330

I/O Address: 503/175 Collections

Presenters: Consent Calendar

Agenda Title: RESOLUTION Authorizing Cancellation of Uncollectible Personal Property Taxes for Tax Years 1992/93 through 2002/03

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

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1. **What action are you requesting from the Board? What is the department/agency recommendation?**

   The Personal Property Collections Section is requesting the Board to approve the cancellation of Uncollectible Personal Property Taxes for 1992/93 through 2002/03, in the amount of $88,688.08. The Department of Business and Community Services recommends the biannual cancellation of Uncollectible Personal Property Taxes be approved.

2. **Please provide sufficient background information for the Board and the public to understand this issue.**

   Certain personal property taxes have been delinquent and the Multnomah County Tax Collector has determined that said taxes are wholly uncollectible and has requested the Board for an order directing that the taxes be cancelled pursuant to ORS 311.790. Attached documents: Write-Off List.

Please return original documents and copies of all to Angelika Loomis, 503/175 Collections following approval

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

There is a loss of revenue of $88,688.08 plus interest that indicates less monetary distribution to the Taxing Districts. This has ongoing impact because there is a lack of statutory authority to enforce and collect delinquent corporation taxes from the responsible corporate owner(s).

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

No legal issues are expected.

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

No citizen participation is anticipated. Accounting Department will cancel these taxes once Board approval is received.

Required Signatures:

Department/Agency Director: M. Cecilia Johnson **Date: 10/07/03**

Budget Analyst

By: **Date:**

Dept/Countywide HR

By: **Date:**

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. _____

Authorizing Cancellation of Uncollectible Personal Property Taxes for Tax Years 1992/93 through 2002/03.

The Multnomah County Board of Commissioners Finds:

a. Certain personal property taxes have been delinquent and the Multnomah County Tax Collector and County Counsel have determined that said taxes are wholly uncollectible and have requested the Board for an order directing that the taxes be cancelled pursuant to ORS 311.790.

The Multnomah County Board of Commissioners Resolves:

1. That the Multnomah County Tax Collector is directed to cancel those certain personal property taxes which are listed and appended hereto and incorporated herein, for tax years 1992/93 through 2002/03 for the reason that the same are found to be uncollectible.

ADOPTED this 30th day of October, 2003.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

_____

Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By _____

John Thomas, Assistant County Attorney

UNCOLLECTIBLE PERSONAL PROPERTY ACCOUNTS
SEPTEMBER 2003

PROPERTY ACCOUNT #	TAX REPORT CODE	WARRANT#	AMT DUE	TAX DUE
M353185	WRO	000958	$611.29	$350.35
M353196	WRO	981165	$248.20	$123.38
M353244	WRO	970624	$929.33	$438.86
M353896	WRO	993840	$271.46	$143.88
M355037	WRO	010898	$157.79	$89.34
M355793	WRO		$2,923.24	$1,341.81
M356541	WRO	011865	$1,784.66	$709.90
M356998	WRO	021474	$191.41	$133.72
M357031	WRO	021476	$166.24	$110.41
M358164	WRO	021509	$35.61	$25.44
M358570	WRO	021514	$364.76	$230.66
M359198	WRO	002157	$731.44	$307.51
M486643	WRO	020693	$1,881.31	$1,579.04
P369500	WRO	953021	$306.85	$126.17
P373766	WRO	961941	$198.78	$81.39
P379850	WRO	930178	$380.10	$133.02
P390057	WRO	961486	$207.44	$84.59
P390100	WRO	961487	$204.64	$83.21
P390459	WRO	951884	$520.63	$198.42
P391647	WRO	950309	$473.89	$199.04
P394016	WRO	962171	$331.13	$124.26
P404132	WRO	000925	$617.32	$407.38
P409035	WRO	953151	$176.65	$65.93
P419523	WRO	001772	$14.48	$10.65
P423199	WRO	930761	$534.57	$167.43
P428465	WRO	953223	$252.10	$100.67
P432569	WRO	962485	$238.16	$101.08
P439912	WRO	971421	$377.35	$139.02
P444811	WRO	994891	$75.54	$49.70
P454145	WRO	012621	$48.14	$6.10
P485501	WRO	021642	$10.21	$7.51
P485827	WRO	012623	$48.01	$5.45
P491401	WRO	020642	$34.58	$33.25
P495760	WRO	021216	$71.78	$69.02
P503792	WRO	021683	$138.08	$87.58
WRO	**35 ACCOUNTS**		**$15,557.17**	**$7,865.17**
P406133	WRO B7 CORP	010721	$1,019.09	$783.94
P407845	WRO B7 CORP	011267	$241.23	$201.02
P486605	WRO B7 CORP	020249	$2,403.21	$1,930.03
P486403	WRO B7DC CORP	011930	$630.24	$470.36
P363967	WRO B11 CORP	010093	$94.45	$80.42
P389468	WRO B11 CORP	982317	$21,003.96	$11,845.45
P405115	WRO B11 CORP	982683	$294.73	$173.93

PROPERTY ACCOUNT #	TAX REPORT CODE	WARRANT#	AMT DUE	TAX DUE
P407293	WRO B11 CORP		$7,314.10	$2,442.17
P408725	WRO B11 CORP		$142.71	$47.57
P421453	WRO B11 CORP		$5,493.30	$1,831.10
P457342	WRO B11 CORP	993163	$794.34	$479.06
P477224	WRO B11 CORP		$933.54	$331.35
P510653	WRO B11 CORP		$1,559.43	$1,299.53
U499479	WRO B11 CORP		$9,249.79	$8,894.03
U516089	WRO B11 CORP		$49.15	$45.51
U516090	WRO B11 CORP		$61.44	$59.08
U516092	WRO B11 CORP		$10.64	$9.84
U516094	WRO B11 CORP		$94.30	$87.32
U516225	WRO B11 CORP		$71.34	$17.78
BANKO/CORP	**19 ACCOUNTS**		**$51,460.99**	**$31,029.49**
P436130	WRO B7DC	962526	$225.80	$94.48
P380181	WRO B7	011453	$41.75	$40.14
P365214	WRO B7DC	010102	$607.34	$489.79
M358921	WRO B7DC	020630	$658.47	$481.24
M356078	WRO B7DC	981427	$185.08	$109.01
BANKO	**5 ACCOUNTS**		**$1,718.44**	**$1,214.66**
P362752	WRO CORP	994605	$1,879.12	$1,174.44
P363399	WRO CORP	922397	$190.32	$57.58
P363469	WRO CORP	950017	$803.12	$349.40
P364489	WRO CORP	930315	$695.87	$241.06
P366957	WRO CORP	010510	$1,224.70	$949.76
P367218	WRO CORP	995104	$605.98	$359.34
P368144	WRO CORP	001811	$18,740.48	$13,352.49
P373255	WRO CORP	922515	$289.86	$94.72
P385462	WRO CORP	962082	$172.27	$66.80
P386051	WRO CORP	993551	$932.45	$526.66
P387067	WRO CORP	932028	$429.81	$158.79
P388821	WRO CORP	950279	$178.53	$64.78
P390907	WRO CORP	993486	$580.78	$342.16
P391318	WRO CORP	010195	$495.60	$361.77
P396852	WRO CORP	962187	$620.24	$292.12
P399995	WRO CORP	021603	$7.52	$5.53
P400248	WRO CORP	993509	$329.70	$181.74
P401484	WRO CORP	012504	$77.99	$25.82
P410511	WRO CORP	920773	$214.14	$53.57
P413512	WRO CORP	994617	$456.84	$262.72
P414263	WRO CORP	960290	$217.02	$88.74
P429125	WRO CORP	962450	$943.46	$453.73
P429547	WRO CORP	953230	$591.69	$258.87
P431431	WRO CORP	960391	$643.43	$297.76
P431681	WRO CORP	982727	$453.88	$248.66
P432172	WRO CORP	962483	$412.78	$187.56

PROPERTY ACCOUNT #	TAX REPORT CODE	WARRANT#	AMT DUE	TAX DUE
P435108	WRO CORP	021628	$10.74	$10.33
P435150	WRO CORP	980863	$68.00	$33.93
P439203	WRO CORP	953304	$874.92	$348.84
P441219	WRO CORP	971422	$1,106.52	$501.37
P441383	WRO CORP	010211	$1,001.11	$764.69
P445008	WRO CORP	011981	$401.96	$286.25
P484314	WRO CORP	012610	$56.94	$8.29
P484995	WRO CORP	001968	$777.38	$523.36
P485444	WRO CORP	021641	$16.44	$12.09
P487564	WRO CORP	012083	$7.88	$6.57
P488863	WRO CORP	012615	$53.84	$5.70
P489557	WRO CORP	012555	$147.03	$83.36
P489561	WRO CORP	012556	$55.06	$6.72
P492995	WRO CORP	021655	$27.46	$25.42
P495837	WRO CORP	012296	$1,959.39	$1,542.26
P496189	WRO CORP	021670	$20.63	$19.11
P496951	WRO CORP	001655	$515.10	$334.36
P498857	WRO CORP	020820	$48.88	$47.00
P501863	WRO CORP	010595	$1,054.56	$812.55
P504214	WRO CORP	011150	$960.30	$736.52
P505048	WRO CORP	010507	$529.74	$389.31
P508328	WRO CORP	020371	$19,445.95	$17,961.99
P508419	WRO CORP	012557	$57.66	$8.88
P508667	WRO CORP	020821	$48.88	$47.00
P520562	WRO CORP	021206	$1,781.00	$1,605.55
P523033	WRO CORP	031341	$2,199.35	$1,992.92
P527100	WRO CORP	021741	$8.44	$7.82
CORP WRO	**53 ACCOUNTS**		**$65,422.74**	**$48,578.76**
GRAND TOTAL			***$134,159.34***	***$88,688.08***

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 03-151

Authorizing Cancellation of Uncollectible Personal Property Taxes for Tax Years 1992/93 through 2002/03

The Multnomah County Board of Commissioners Finds:

a. Certain personal property taxes have been delinquent and the Multnomah County Tax Collector and County Counsel have determined that said taxes are wholly uncollectible and have requested the Board for an order directing that the taxes be cancelled pursuant to ORS 311.790.

The Multnomah County Board of Commissioners Resolves:

1. That the Multnomah County Tax Collector is directed to cancel those certain personal property taxes which are listed and appended hereto and incorporated herein, for tax years 1992/93 through 2002/03 for the reason that the same are found to be uncollectible.

ADOPTED this 30th day of October, 2003.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By _____
John Thomas, Assistant County Attorney

UNCOLLECTIBLE PERSONAL PROPERTY ACCOUNTS
SEPTEMBER 2003

PROPERTY ACCOUNT #	TAX REPORT CODE	WARRANT#	AMT DUE	TAX DUE
M353185	WRO	000958	$611.29	$350.35
M353196	WRO	981165	$248.20	$123.38
M353244	WRO	970624	$929.33	$438.86
M353896	WRO	993840	$271.46	$143.88
M355037	WRO	010898	$157.79	$89.34
M355793	WRO		$2,923.24	$1,341.81
M356541	WRO	011865	$1,784.66	$709.90
M356998	WRO	021474	$191.41	$133.72
M357031	WRO	021476	$166.24	$110.41
M358164	WRO	021509	$35.61	$25.44
M358570	WRO	021514	$364.76	$230.66
M359198	WRO	002157	$731.44	$307.51
M486643	WRO	020693	$1,881.31	$1,579.04
P369500	WRO	953021	$306.85	$126.17
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P379850	WRO	930178	$380.10	$133.02
P390057	WRO	961486	$207.44	$84.59
P390100	WRO	961487	$204.64	$83.21
P390459	WRO	951884	$520.63	$198.42
P391647	WRO	950309	$473.89	$199.04
P394016	WRO	962171	$331.13	$124.26
P404132	WRO	000925	$617.32	$407.38
P409035	WRO	953151	$176.65	$65.93
P419523	WRO	001772	$14.48	$10.65
P423199	WRO	930761	$534.57	$167.43
P428465	WRO	953223	$252.10	$100.67
P432569	WRO	962485	$238.16	$101.08
P439912	WRO	971421	$377.35	$139.02
P444811	WRO	994891	$75.54	$49.70
P454145	WRO	012621	$48.14	$6.10
P485501	WRO	021642	$10.21	$7.51
P485827	WRO	012623	$48.01	$5.45
P491401	WRO	020642	$34.58	$33.25
P495760	WRO	021216	$71.78	$69.02
P503792	WRO	021683	$138.08	$87.58
WRO	**35 ACCOUNTS**		**$15,557.17**	**$7,865.17**
P406133	WRO B7 CORP	010721	$1,019.09	$783.94
P407845	WRO B7 CORP	011267	$241.23	$201.02
P486605	WRO B7 CORP	020249	$2,403.21	$1,930.03
P486403	WRO B7DC CORP	011930	$630.24	$470.36
P363967	WRO B11 CORP	010093	$94.45	$80.42
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P405115	WRO B11 CORP	982683	$294.73	$173.93

PROPERTY ACCOUNT #	TAX REPORT CODE	WARRANT#	AMT DUE	TAX DUE
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P477224	WRO B11 CORP		$933.54	$331.35
P510653	WRO B11 CORP		$1,559.43	$1,299.53
U499479	WRO B11 CORP		$9,249.79	$8,894.03
U516089	WRO B11 CORP		$49.15	$45.51
U516090	WRO B11 CORP		$61.44	$59.08
U516092	WRO B11 CORP		$10.64	$9.84
U516094	WRO B11 CORP		$94.30	$87.32
U516225	WRO B11 CORP		$71.34	$17.78
BANKO/CORP	**19 ACCOUNTS**		**$51,460.99**	**$31,029.49**
P436130	WRO B7DC	962526	$225.80	$94.48
P380181	WRO B7	011453	$41.75	$40.14
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M358921	WRO B7DC	020630	$658.47	$481.24
M356078	WRO B7DC	981427	$185.08	$109.01
BANKO	**5 ACCOUNTS**		**$1,718.44**	**$1,214.66**
P362752	WRO CORP	994605	$1,879.12	$1,174.44
P363399	WRO CORP	922397	$190.32	$57.58
P363469	WRO CORP	950017	$803.12	$349.40
P364489	WRO CORP	930315	$695.87	$241.06
P366957	WRO CORP	010510	$1,224.70	$949.76
P367218	WRO CORP	995104	$605.98	$359.34
P368144	WRO CORP	001811	$18,740.48	$13,352.49
P373255	WRO CORP	922515	$289.86	$94.72
P385462	WRO CORP	962082	$172.27	$66.80
P386051	WRO CORP	993551	$932.45	$526.66
P387067	WRO CORP	932028	$429.81	$158.79
P388821	WRO CORP	950279	$178.53	$64.78
P390907	WRO CORP	993486	$580.78	$342.16
P391318	WRO CORP	010195	$495.60	$361.77
P396852	WRO CORP	962187	$620.24	$292.12
P399995	WRO CORP	021603	$7.52	$5.53
P400248	WRO CORP	993509	$329.70	$181.74
P401484	WRO CORP	012504	$77.99	$25.82
P410511	WRO CORP	920773	$214.14	$53.57
P413512	WRO CORP	994617	$456.84	$262.72
P414263	WRO CORP	960290	$217.02	$88.74
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P429547	WRO CORP	953230	$591.69	$258.87
P431431	WRO CORP	960391	$643.43	$297.76
P431681	WRO CORP	982727	$453.88	$248.66
P432172	WRO CORP	962483	$412.78	$187.56

PROPERTY ACCOUNT #	TAX REPORT CODE	WARRANT#	AMT DUE	TAX DUE
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P435150	WRO CORP	980863	$68.00	$33.93
P439203	WRO CORP	953304	$874.92	$348.84
P441219	WRO CORP	971422	$1,106.52	$501.37
P441383	WRO CORP	010211	$1,001.11	$764.69
P445008	WRO CORP	011981	$401.96	$286.25
P484314	WRO CORP	012610	$56.94	$8.29
P484995	WRO CORP	001968	$777.38	$523.36
P485444	WRO CORP	021641	$16.44	$12.09
P487564	WRO CORP	012083	$7.88	$6.57
P488863	WRO CORP	012615	$53.84	$5.70
P489557	WRO CORP	012555	$147.03	$83.36
P489561	WRO CORP	012556	$55.06	$6.72
P492995	WRO CORP	021655	$27.46	$25.42
P495837	WRO CORP	012296	$1,959.39	$1,542.26
P496189	WRO CORP	021670	$20.63	$19.11
P496951	WRO CORP	001655	$515.10	$334.36
P498857	WRO CORP	020820	$48.88	$47.00
P501863	WRO CORP	010595	$1,054.56	$812.55
P504214	WRO CORP	011150	$960.30	$736.52
P505048	WRO CORP	010507	$529.74	$389.31
P508328	WRO CORP	020371	$19,445.95	$17,961.99
P508419	WRO CORP	012557	$57.66	$8.88
P508667	WRO CORP	020821	$48.88	$47.00
P520562	WRO CORP	021206	$1,781.00	$1,605.55
P523033	WRO CORP	031341	$2,199.35	$1,992.92
P527100	WRO CORP	021741	$8.44	$7.82
CORP WRO	**53 ACCOUNTS**		**$65,422.74**	**$48,578.76**
GRAND TOTAL			***$134,159.34***	***$88,688.08***

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: October 30, 2003
Agenda Item #: R-1
Est. Start Time: 9:30 AM
Date Submitted: 09/29/03

Requested Date: October 30, 2003 **Time Requested:** 30 minutes

Department: Dept of Business & Comm Svcs. **Division:** HR

Contact/s: Gail Parnell/Jeanie Staino

Phone: 503-988-5015 **Ext.:** 26488 **I/O Address:** #503/4

Presenters: Gail Parnell/Jeanie Staino

Agenda Title: Service Award Ceremony – January 1, 2003 through June 30, 2003

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

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1. **What action are you requesting from the Board? What is the department/agency recommendation?** The department recommends the Board recognize and appreciate employees' dedicated tenure with Multnomah County.

2. **Please provide sufficient background information for the Board and the public to understand this issue.** Employee service, with awards and certificates, are acknowledged twice a year. Award ceremony usually occurs in the Spring and in the Fall. Employees and family are invited to come to the award ceremony at the Board meeting.

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

   NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

   If a budget modification, explain:

- ❖ What revenue is being changed and why?
- ❖ What budgets are increased/decreased?
- ❖ What do the changes accomplish?
- ❖ Do any personnel actions result from this budget modification? Explain.
- ❖ Is the revenue one-time-only in nature?
- ❖ If a grant, what period does the grant cover?
- ❖ When the grant expires, what are funding plans?

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

If a contingency request, explain:

- ❖ Why was the expenditure not included in the annual budget process?
- ❖ What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?
- ❖ Why are no other department/agency fund sources available?
- ❖ Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.
- ❖ Has this request been made before? When? What was the outcome?

If grant application/notice of intent, explain:

- ❖ Who is the granting agency?
- ❖ Specify grant requirements and goals.
- ❖ Explain grant funding detail – is this a one time only or long term commitment?
- ❖ What are the estimated filing timelines?
- ❖ If a grant, what period doest the grant cover?
- ❖ When the grant expires, what are funding plans?
- ❖ How will the county indirect and departmental overhead costs be covered?

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

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

Required Signatures:

M. Cecilia Johnson

Department/Agency Director: **Date: 09/29/03**

Budget Analyst

By:_____ **Date:**

Dept/Countywide HR

Gail E Parnell

By:_____ **Date: 09/25/03**

GAIL PARNELL, HR OPERATIONS MANAGER, MULTNOMAH COUNTY

We are here today to honor our Multnomah County employees, by recognizing the years of personal commitment and professional contributions, which they have given to the County.

I would like to start by saying thank you to County Chair, Diane Linn, and to each of the Commissioners, for your support of our employees and for sponsoring this recognition ceremony here today.

These Multnomah County service awards represent one way of thanking our employees for making Multnomah County an excellent place to work, as well as an outstanding service provider. Every employee that is here today has played an equally essential role in making that happen. You have all been KEY to our success.

[Chair Linn will acknowledge a few employees who have made major accomplishments to the County at this point]

Gail Parnell:

In a moment, I will be reading the names of those employees who have reached the 5, 10, 15, 20, 25, 30, and 35 year milestones as employees of Multnomah County between January 1, 2003 and June 30, 2003. If we add up the years that are represented here today in the **79** individuals receiving their awards, we have **845** years of service and dedication to Multnomah County.

Finally, before we recognize each of you individually, to ALL of you receiving a service award – on behalf of all of us here today, we say a collective THANK YOU and congratulations on a job well done. We will start with the 5 year service awards and move onward from there. When I read your name, please come up to the front to receive your award from Chair Linn and our Commissioners.

We would like give a special acknowledgement to Diane Linn and Lisa Naito. They have 5 years with Multnomah County. **There will be a reception on the 3rd Floor of the Multnomah Building. Please join us.**

Service Awards Attendees - October 30, 2003 BCC Meeting
9:30 am, Multnomah Building Board Room
Honoring Employees Whose Hire Dates Fall between Jan. 1, 2003 through June 30, 2003
(Of the **278** employees who received letters, **79** indicated they would attend.)

Five Years

DA – Yvonne Chan

DCHS- Peter Agabi
Celeste Graziano
Nancy Martin

DCJ - Andrea Archuleta
Sualua Faalevao
Kathryn Fenner
Lynda Hutchings
Sharon James
Tracey Madsen
Tracey Wilkie

DBCS - Gloria Carlson
Kevin Dean
Denny Howell
Heidi Leibbrandt
Tim McWilliams
Bikram Raghubansh
Louise Tamiesie
Susan Viegas
Leila Wrathall

HD - Hasan Bader
Abu Baimba Bangura
Jill De Freitas
Maria Del Rocio Lopez C.
Terri Grayum
Tsehay Mitku
Sherrill Ortez
Nancy Thorn
Ramona Waits
Vicki Wheeler

LIB – Rebecca Callison
Catherine Griffin
Lisa White

OSCP- Dorothy Carroll
Carla Smith

Ten Years

DA – Liza Burney

DCHS- Catherine Scott
Shelley Lee Immel

DCJ - Dori Larson
Cynthia Stadel

DBCS - Georgann Dustan
Karen Hudson
Barbara Tessada
Jennifer Tomasko

HD – Marta Guembes
Chareundi Van-Si
Elnetta Williams

LIB - Susan Corrigan

Fifteen Years

DCHS - Linda Bailey
Kristina Ogilvie
Nellie Stearns
Lennise Sanders
Susan Strutz

DCJ - Joanne Fuller
Juanita Venise Johnson
Bette Richardson
Sandra Rorick
Duane Willhite

DBCS - Dennis Crawford
Betty Hopkins
Susan Mack
David Powell
Randall Shannon

HD - Julianne Bava
Michele Caranto
Cheryl Cronin
Joan Sears

NON - Janet Hawkins

OSCP - HC Tupper

Twenty Years

DCJ - Mary Bettinger

DBCS - Carla Gonzales
Douglas Peters

HD - Jeanette Palmer

Twenty-five Years

DCJ - Shaun Coldwell

DBCS – David Pickthorne

HD - Anne Hanrahan
Susan Sanzi-Schaedel

Thirty-five Years

DBCS - John Reynolds Jr.

Five Year Special Acknowledgement

NON – Diane Linn
Lisa Naito

Chair Linn will acknowledge these employees –

Hasan Bader – 5 years - Health Dept.

Hasan Bader has recently celebrated 5 years of enthusiastic service with Multnomah County. He spent his first 3 years sharing his financial acumen with Child and Family Services where he made significant improvements to hospital payments. He then went on to the Department of Community Justice for two years, and his past co-workers and supervisors still mourn losing him. The Health Department is extremely grateful to be the current beneficiaries of Hasan's economic expertise. He successfully undertook the responsibility of understanding and manipulating their complicated budgets in a short period of time. Hasan brings joviality and good humor with him in all that he does – even during budget season. He has acquired the moniker of "Stand-Up Comic" among his co-workers in Integrated Clinical Services, and he is a great resource for discovering first class restaurants throughout the country (and parts of Canada).

On behalf of the Health Department..."Hasan, PLEASE don't quit your day job!"

Ramona Waits – 5 years – Health Dept.

Ramona Waits, Dental Assistant at East County has made significant contributions to the Dental Program. Ramona is responsible for preparing supply orders and monitoring inventory. She has researched products and cost, and saved the county money. Ramona takes seriously her task of being a good steward of the County's money. Ramona was instrumental in our move in to the new East County clinic. There was much stress among staff as we needed to close the 102nd clinic, and move here to East. Ramona was a positive calming influence on her co-workers.

Leila Wrathall – 5 years – DBCS

Leila Wrathall is an outstanding example of the caliber of employees at Multnomah County. She gives her best every day, takes on new tasks and assignments willingly, puts in the hours needed to learn new things and to get the job done. In addition to the time and effort she devotes to her job, Leila is active in her community, serving on the Board of the local ACLU chapter, and participating and contributing to events that support the arts, social services, and other causes. She also provides support and care to her mother, who is in assisted living, and has spent time to provide care and support to her partner's frail and aging parents in Florida. She is the kind of committed, involved citizen that truly makes a difference in our community and in the lives of her friends and family.

Lynda Hutchings – 5 years – DCJ

Lynda Hutchings has been involved in so many important projects in DCJ. She has led the Employee Recognition Committee which hosts each year a peer to peer recognition process across our DCJ. She helped redesign the low and limited risk supervision.

Georgann Dustan – 10 years, DBCS - Elections

Since Elections does a considerable amount of mailings to voters, Georgie participates in an organization called the Greater Portland Postal Customer Council. She currently serves as secretary of the council. In October 2002, Georgie received a "Partner in Progress Award for Professionalism and Dedication." The letter which accompanied the award said: "This award is given to the individual or company who has gone the extra mile above and beyond to assist the Greater Portland Postal Customer Council (GPPCC) in the fulfillment of it's mission: *To create a network between business mailers, the U.S. Postal Service and vendors to enhance and improve mail operations and services in the Portland/Metro area.*"

Janet Hawkins - 15 years – NOND

Janet has been instrumental in supporting the development and conducting outreach on OregonHelps, a web-based tool to help low-income families find out if they are eligible for a variety of types of assistance, such as Food Stamps, Oregon Health Plan and many others. Janet also initiated the creation of a new module for seniors and people with disabilities. She has conducted extensive and outreach and trainings on OregonHelps to numerous organizations. Janet has linked this work with other web-based tool and conducted trainings with staff from the City of Portland, OSU Extension and others to share information about all of these web-based tools. OregonHelps is being utilized by at least 650 to 700 persons a week to help link them to services for which they are eligible. Janet's efforts have made a big difference for families living on a low-income to connect them to resources to help their families - and now to help seniors and people with disabilities.

Randy Shannon – 15 years – DBCS

Randy has been working with the Service Districts that the County Administers and he has researched all billings and charges made for the districts. Randy has found numerous errs that he has corrected which has made a significant difference in the income and outlays of the various Service Districts (Dunthorpe-Riverdale Sanitary Sewer and Mid-County Lighting)

Carla Gonzales – 25 years – DBCS

Carla worked in Community and Family Services (with Lolenzo Poe) for many years before coming to work for Shery Stump. She oversaw the county's quality effort (RESULTs) that resulted in the County receiving the Oregon Quality Award in 1999. As a Board member of the organization overseeing the Oregon Quality Award program, she was instrumental in ensuring the quality assessment tools were more inclusive of diversity language and issues. She has been a long time member of Managers of Color and a long time advocate of diversity and equity in the County.

Susan Sanzi-Schaedel -25 years – Health Dept.

Sue Sanzi-Schaedel is currently the Manager for the School/Community Dental Health Program. In her 25 years, Sue has shown exceptional leadership and accomplishment in the area of promotion of oral health issues and the prevention of dental diseases. She is responsible for the implementing all of the current School/Community Dental prevention activities, which include the fluoride tablet and education program reaching over 32,000 elementary aged children , the school based dental sealant program providing services in 70 schools serving over 5000 students annually, the Rockwood Dental Van project serving uninsured (primarily Hispanic) children in East County, the "Baby Day" Program proving early childhood cavities preventive services to hundreds of babies and mothers, and other preventive programs being utilized in the Multnomah County Health Department Clinics.

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:	
Meeting Date:	**October 30, 2003**
Agenda Item #:	**R-2**
Est. Start Time:	**9:50 AM**
Date Submitted:	**10/07/03**

Requested Date: October 30, 2003 **Time Requested:** 45 Minutes

Department: DBSC **Division:** Facilties-Property Management

Contact/s: Pam Krecklow, Doug Butler

Phone: 503-988-4382 **Ext.:** 84382 **I/O Address:** 274

Presenters: Courthouse Blue Ribbon Steering Committee Members Nohad Toulan, Pat LaCrosse, Dale Koch, Mike Schrunk, and Doug Butler

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Agenda Title: Approving Project Proposal And Authorization To Proceed With Development Of A Project Plan For The Multnomah County Courthouse And Related Facilities

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

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1. **What action are you requesting from the Board? What is the department/agency recommendation?** Approval to proceed with creation of a project plan per resolution #02-136.

2. **Please provide sufficient background information for the Board and the public to understand this issue.** For the last year, the Courthouse Blue Ribbon Steering Committee has been reviewing the issues surrounding the histoirc Courthouse. They have conceived a solution in the form of a strategic framework and is requesting to proceed to the next levels in the planning process.

3. **Explain the fiscal impact (current year and ongoing).** The full financial impact of the concept will be determined through the planning process.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain:

- **What revenue is being changed and why?**
- **What budgets are increased/decreased?**
- **What do the changes accomplish?**
- **Do any personnel actions result from this budget modification? Explain.**

- **Is the revenue one-time-only in nature?**
- **If a grant, what period does the grant cover?**
- **When the grant expires, what are funding plans?**

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

If a contingency request, explain:

- **Why was the expenditure not included in the annual budget process?**

- **What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?**
- **Why are no other department/agency fund sources available?**
- **Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.**

- **Has this request been made before? When? What was the outcome?**

If grant application/notice of intent, explain:

- **Who is the granting agency?**
- **Specify grant requirements and goals.**
- **Explain grant funding detail – is this a one time only or long term commitment?**
- **What are the estimated filing timelines?**
- **If a grant, what period does the grant cover?**
- **When the grant expires, what are funding plans?**
- **How will the county indirect and departmental overhead costs be covered?**

4. **Explain any legal and/or policy issues involved.** Following guidelines for planning Capital Projects as defined in Resolution 02-136.

5. **Explain any citizen and/or other government participation that has or will take place.** The Courthouse Blue Ribbon Steering Committee will continue to convene periodically and the meetins are open to the public.

Required Signatures:

Department/Agency Director: _____ **Date: 10/03/03**

Budget Analyst

By: *Ching Hay* **Date: 10/06/03**

Dept/Countywide HR

By: Carol Brown for _____ **Date: 10/03/03**

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. _____

Approving Project Proposal And Authorization To Proceed With Development Of A Project Plan For The Multnomah County Courthouse And Related Facilities

The Multnomah County Board of Commissioners Finds:

a. Resolution #01-114 commissioned a renovation study of the Multnomah County Courthouse. The resulting report required a commitment to a General Obligation Bond in the amount of $250 Million to upgrade and renovate the existing historic building.

b. The Courthouse Blue Ribbon Steering Committee has proposed the following strategy to provide a courthouse facility:

   (1) Build a new court facility within the Downtown Portland Government Center that will accommodate 25 year needs.

   (2) Upgrade and renovate the vacated Historic Courthouse for County uses.

   (3) Build a new court facility in Gresham.

   (4) Address the structural, seismic, and capital issues within the existing Justice Center.

   (5) Consolidate County functions within the newly created square footage and dispose of excess buildings.

c. The Courthouse Blue Ribbon Steering Committee has proposed that the work be financed through funds from the following sources:

   (1) Public partnerships with entities such as the Portland Development Commission, State of Oregon and the Federal Government. Joint benefits could include: urban renewal, economic development, employment opportunities, security, pre disaster mitigation, historic preservation and potential tax increment savings.

   (2) General Obligation Bond.

   (3) Sale of Full Faith/Credit Bonds for lease/debt service savings.

   (4) Other potential financing options as they arise.

The Multnomah County Board of Commissioners Resolves:

1. The Courthouse Blue Ribbon Steering Committee's proposal set out above is adopted as the Project Proposal for a new courthouse facility and related projects under Resolution 02-136. Facilities and Property Management, working in conjunction with the Courthouse Blue Ribbon Steering Committee, is authorized to proceed with preparation of a Project Plan which will include:

   (a) Development of the existing concepts into a Project Charter.

   (b) Creation of a comprehensive Project Development and Siting Plan.

   (c) Formalizing Operational and Capital Funding Plans which may include public partnerships with entities such as the Portland Development Commission, City of Gresham State of Oregon and the Federal Government.

2. Upon completion of the Project Plan, Facilities and Property Management will present the plan to the Board for review and approval.

ADOPTED this 30th day of October, 2003.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

_____
Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By _____
John S. Thomas, Assistant County Attorney

BOGSTAD Deborah L

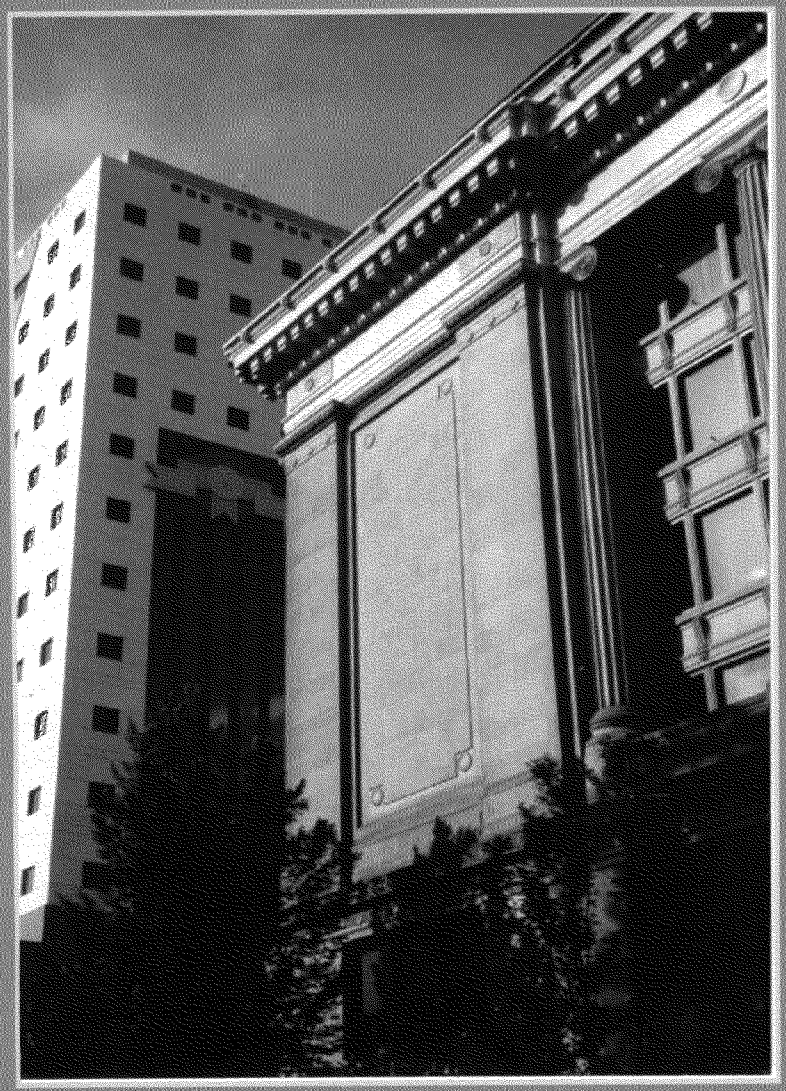
From: SMITH Andy J
Sent: Monday, October 27, 2003 4:19 PM
To: ROMERO Shelli D; BOGSTAD Deborah L; CARROLL Mary P; NAITO Terri W; WEST Kristen
Subject: Agenda Item R-2 for Thursday, Oct. 30---Courthouse Briefing

After discussing this issue with Deb, there's no vote needed to formally postpone Courthouse resolution.

The Chair will introduce the item as a briefing only. If members of the public show up to testify she will recognize them, in light of the fact that public notice was given.

If you have any questions, please let me know.

Andy



Courthouse Blue Ribbon Steering Committee's

Recommendation Summary

October 2003

Department of Business and Community Services
Facilities & Property Management Division
Multnomah County, Oregon
10/28/03/Krecklow/Facilities-Asset Management

Courthouse Blue Ribbon Steering Committee Members:

Chairman – Diane Linn
Multnomah County Chair

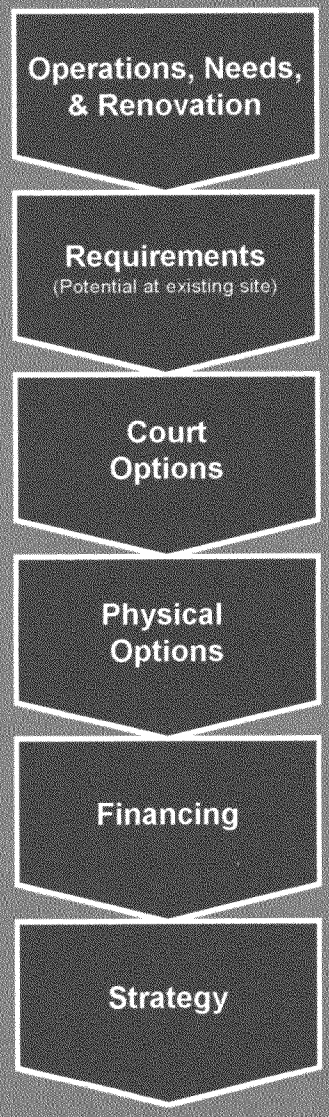
Vice Chair – Maria Rojo De Steffey
Multnomah County Commission, District 1

Bernie Guisto, Multnomah County Sheriff
Dale Koch, State Court Presiding Judge
Doug Bray, State Court Administrator
Pat LaCrosse, Retired
Dan Petrusich, President, Melvin Mark Companies
Mike Schrunk, Multnomah County District Attorney
Edward Harnden, Oregon State Bar Association
Chuck Becker, Mayor, City of Gresham
Mike Salsgiver, Portland Business Alliance
Robert Neuberger, Multnomah County Bar Association
Nohad Toulan, Portland State University, Dean, College of Urban Affairs
Sam Brooks, Chairman, Oregon Association of Minority Entrepreneurs
Mary Jo Briggs, Manager, City of Fairview
Don Eggleston, President, SERA Architects
Jim Hennings, Director, Metropolitan Public Defender

Multnomah County Technical Advisors:

Doug Butler, Director, Facilities & Property Management
Duke Shepard, Chair's Office Representative
Dave Boyer, Chief Financial Officer
Joanne Fuller, Director, Department of Community Justice
Gina Mattioda, Director, Public Affairs

Process



Strategic Framework

Issues

County Obligation

Accommodate Court/Support Functions

- Legal Requirements
- Cost Effective Operation
- Public Safety

Existing Building Issues

- Security Issues
- Seismic
- Fire/Life Safety
- Old Equipment
- Prisoner Transport

County Identity

- Historic Status
- Significant Landmark
- County's History
- Downtown Location

Court Needs

Sustain Standards

- Keep current Calendar
- Meet ABA Standards
- Cost Effective Operation

Integrated Courts

- Combined Criminal and Civil courts
- 1:1 Courtroom /Officer Ratio
- Accessible Record Keeping

Spatial Requirements

- Sq.Ft. per Courtroom
- Technology
- Meeting Space
- Projected Staffing Estimates

Findings

Finding #1

There are **no anticipated changes** to Courthouse functions.

Finding #2

Current **integrated court system** provides significant operations and efficiencies.

Finding #3

Projected court officers will be 58 in 10 years, 64 in 20 years, and 79 in 40 years.

Finding #4

Conservative **planning figure** for overall space is 468,000 sq ft to meet 25 year need.

Finding #5

1:1 officer to courtroom ratio is appropriate within varied sized courtrooms.

Finding #6

Juvenile Justice Center courtrooms should continue providing family court functions. Plus a **4-6 courtroom** facility to be provided in **Gresham**.

Options

Status Quo

- Further Deterioration
- No Equipment Upgrade
- Public Safety Concerns
- Transportation Issues

Renovate Courthouse

- Temporary Space
- Class "B" Building
- No Expansion Ability

Renovate with Annex

- Requires Splitting Courts
- Duplicate Security
- Higher Operating Costs

Justice Center or other County Space

- Cost to shift existing functions
- Renovation Costs
- Expansion space

New Facility

- Expense
- Siting Issues

Conclusion

The most prudent and economical solution to the County's judiciary obligations is to provide a **new court facility** in the vicinity of the existing Government Center in Downtown Portland.

The initial plan should **address twenty five year** growth projections while providing a comprehensive master plan to address future forty-year needs.

The **existing historic Courthouse** is a significant community asset and a strategy to ensure its **preservation/renovation** should be developed independently of the Courts facility project.

Court facilities should remain **"as-is" at the Juvenile Justice** Center while providing for the Development of a **four to six Courtroom facility** (with capacity for future expansion) in **Gresham/East County** to meet the 20-year need.

Siting

Site Two = Two Main Place

Benefit: No existing development

Disadvantage: Land Acquisition Expense

Site Three = Lotus Block

Benefit: Location to park blocks and existing Courthouse

Disadvantage: Split zoning heights and historic Auditorium Building

Other Options Considered

Site One = Hawthorne Bridgehead

Benefit: ¾ block owned by County

Disadvantage: Jefferson Substation's historic status

Site Four=Standard Parking

Benefit: Flanks Government Center

Disadvantage: Only half block development with Parking Garage

Site Five = Wells Fargo

Benefit: Flanks Government Center

Disadvantage: Zoning height Issue, Shared parking garage

Strategy: 5 Part Plan

- Build a new court facility within the Downtown Portland Government Center that will accommodate 25 year needs
- Upgrade and renovate the vacated Historic Courthouse for County uses
- Build a new court facility in Gresham
- Address the structural, seismic and capital issues within the existing Justice Center
- Consolidate County functions within the newly created square footage and dispose of excess buildings

Financing Considerations:

Courthouse Renovation Study - August 2002:

$250 Million = Renovate Historic Courthouse
New Courts Facility in Gresham

Financing option = GO Bond

Current Recommendation - October 2003:

$250 Million = New Courts Facility in Downtown Portland
Renovate Historic Courthouse
New Courts Facility in Gresham
Consolidation of County central facilities
Upgrade of Justice Center

Financing options = Public Partnerships $110 Million
(Potential Partners: PDC, City of Gresham, State, and Federal)

GO Bond $80 Million
(First opportunity 2006)

County Financing $60 Million
(Full Faith and Credit Bonds with consolidation & debt savings)

Benefits:

- Provides a solution to County's four biggest capital concerns
- Brings in partners for elements such as development strategies
- Consolidation creates potential for public buildings to return to tax rolls
- Employment stimulation through creation of jobs
- Increases County presence in both Downtown and East County
- Keeps Historic Courthouse
- Provides a flexible and phase-able plan
- Tax payers not carrying full financial burden
- Eliminates public safety system emergency concerns

Where do we go from here?

Approval of resolution to move forward with framework:

- Formalize project charter
- Proceed with partnerships
- Create a comprehensive project plan
- Analyze financing options
- Explore consolidation options

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:	
Meeting Date:	**October 30, 2003**
Agenda Item #:	**R-3**
Est. Start Time:	**10:30 AM**
Date Submitted:	**10/22/03**

Requested Date: 10/30/03 **Time Requested:** 1 hour

Department: Non-Departmental **Division:** Chair's Office

Contact/s: Duke Shepard

Phone: 503.988-3308 **Ext.:** 85137 **I/O Address:** 503/600

Presenters: Duke Shepard and Invited Others

Agenda Title: Overview and Update on the Activities and Direction of the Portland Development Commission

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

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1. **What action are you requesting from the Board? What is the department/agency recommendation?** No action requested, informational only. This briefing is intended to provide an overview and update on the activities and direction of the Portland Development Commission, including the City's 10 Urban Renewal Districts. There will be a second briefing on November 13 focused specfically on the Downtown Waterfront URA, which expires in April 2004.

2. **Please provide sufficient background information for the Board and the public to understand this issue.**

PDC has three major service areas.

- *Housing*
  PDC finances and develops multi-family housing for a variety of income levels throughout the city. It also provides single family home purchase and home repair loans.

- *Neighborhood Revitalization*
  PDC works with residents, business owners, owners of rental housing and nonprofit organizations to increase affordable housing and small businesses in the city. This includes a focus on areas of the city that are distressed by providing market analysis, district planning, developing opportunity strategies and site planning to improve them. PDC develops housing, retail, office and other projects.

- *Business Retention, Expansion and Recruitment*
  PDC offers a range of direct and indirect assistance to businesses looking to expand or locate in the Portland area. This may include business loans or assistance in locating the right site for a business expansion or relocation. PDC provides small business loan programs and local incentives for locating businesses and jobs in target areas.

How is PDC governed? In 1958, the citizens of Portland voted to create the Portland Development Commission. The Commission's day-to-day functions are carried out through its Executive Director, six departmental directors, managers and support staff. The Agency is a department of the City and its Executive Director reports to the Commission.

The Commission, as a whole, is governed by a five-member board of Commissioners (often referred to as PDC's Board) who are all local citizens appointed by the Mayor and approved by City Council. Following approval by the PDC Commission, urban renewal districts, bond sales, major projects and program changes are also reviewed and approved by City Council.

PDC's structure is unique nationally. PDC's reporting structure—to PDC's Board rather than directly to the Mayor or other City Commissioner—was created to allow the agency to implement programs and focus resources independently and not at the direction of any one city Commissioner.

Where does PDC get its funding? PDC's projects and programs have been funded primarily by federal and other grants, program income earned on asset management, contracts for services, tax increment financing, City of Portland General Fund allocations, and private sector donations and lending agreements. The agency's main goal is to use public funds to stimulate private sector investment, job creation and expansion of the tax base.

The 10 urban renewal areas of the city PDC focuses its staff and resources are:

Airport Way; Central Eastside; Downtown Waterfront; Gateway; Interstate Corridor; Lents; South Waterfront/North Macadam; Oregon Convetnion Center; River District; South Park Blocks.

How many employees work at PDC? PDC has a staff of approximately 165 professionals who work in six departments: Executive, Housing, Development, Economic Development, Finance, and Information Systems.

Who are the PDC Commissioners and when do they meet? PDC's five citizen commissioners are:

- Matt Hennessee, Chairman
  President/CEO Quiktrak, Inc.
- Doug Blomgren, Secretary
  Attorney, Preston, Gates, Ellis
- Noell Webb, Acting Secretary
  President, Webb & Associates
- Janice Wilson
  Joined Wells Fargo Bank in 1960 and retired as Senior Vice President and Division Manager in August 2001
- Fifth Commissioner (to be appointed)

PDC conducts business at monthly public meetings held the second Wednesday of each month at 3:00 p.m. at PDC offices, 1900 SW 4th Ave., 7th floor, in downtown Portland.

Who manages day-to-day operations of PDC? PDC is headed by Executive Director, Don Mazziotti and Deputy Director, Wyman Winston.

PDC has a total of eight departments that all report to Mazziotti. The department directors are:

- Housing — Mr. Andrew Wilch
- Development — Mr. Abe Farkas
- Economic Development — Ms. Martha "Marty" Schwab-Harris
- Finance — Ms. Nancy McClain
- Resource Development — Mr. Norris Lozano
- Information Systems — Mr. Lance Harris
- Public Affairs — Ms. Martha Richmond
- Human Resources — Ms. Mary Beth Allen

What is Urban Renewal? Urban renewal exists for the purpose of removing, preventing or reducing blight or blighting factors that are detrimental to the safety, health or welfare of the community. A blighted area is characterized by the existence of one or more conditions including deteriorating buildings, inadequate streets and utilities, depreciating values and many more defining conditions.

What is Tax Increment Financing? One of PDC's primary sources of urban renewal funding is tax increment financing (TIF). PDC has been using this tool since the late 1970s.

TIF works in this way: When the city defines an urban renewal boundary, the county assessor "freezes" the assessed value of real property within the urban renewal district. As the city and others invest in the urban renewal area, property values go up. The property taxes above those that were collected when the values were "frozen" are used to pay for the improvements in the urban renewal area.

The Oregonian described TIF thusly: Urban renewal districts raise money by borrowing against future growth in property taxes. The city uses the borrowed money to pay for capital improvements, which spur more development. The city then uses the incremental increase in property taxes from the district to repay the loan. When the urban renewal district expires, in 20-25 years, the intent is to return a much higher property tax base to the tax rolls.

3. **Explain the fiscal impact (current year and ongoing).** The fiscal impact can be viewed as foregone or delayed revenue from development within a URA which, rather than going directly to taxing jurisdictions, goes to pay off the debt incurred in foster that development. The impact can also be viewed as the long term increased assessed value, and the immediate increase in jobs, housing, or improvements in infrastructure.

4. **Explain any legal and/or policy issues involved.** Policy issues include: Urban Renewal; economic development; housing; potential continuation of URA's.

5. **Explain any citizen and/or other government participation that has or will take place.** As an informational briefing on a City agency's activities, there has been no citizen or government involvement in this briefing, other than the involvement of the presenter, PDC.

Required Signatures:

Department/Agency Director: _____ **Date: 10/22/03**

Budget Analyst

By: _____ **Date:**

Dept/Countywide HR

By: _____ **Date:**

Portland Development Commission

An overview presentation for the Multnomah County Commissioners

PDC
PORTLAND DEVELOPMENT COMMISSION

Presented by Nancy McClain, Finance Director
Portland Development Commission, October 2003

Key Facts:

- PDC was formed in 1958 as the City's urban renewal agency
- The agency is governed by a five-member citizen board appointed by the Mayor and approved by Council

Janice Wilson, Matt Hennessee, John Russell (Chairman), Doug Blomgren and Noell Webb

PDC's Mission

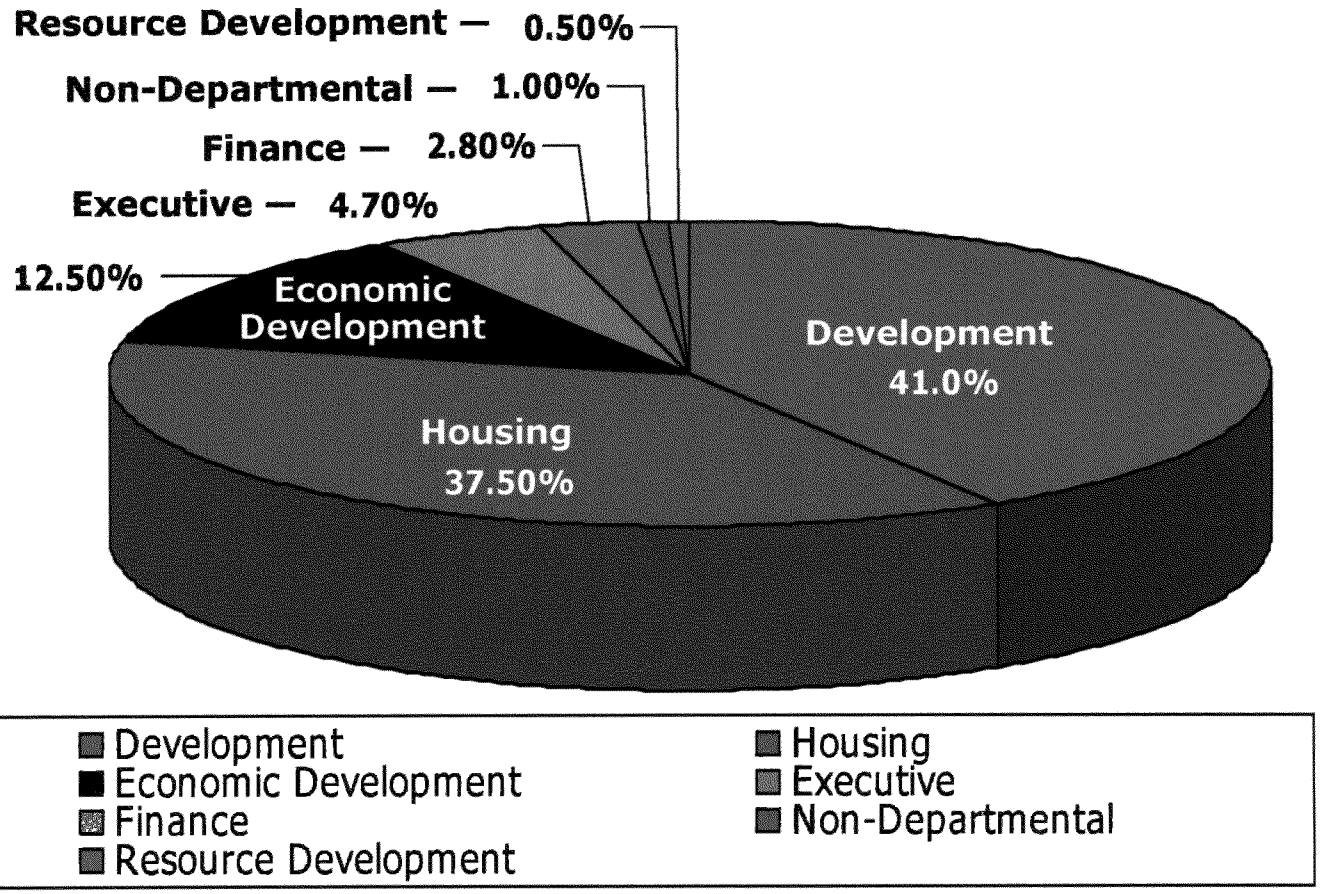
"To bring together resources to achieve Portland's vision of a diverse, sustainable community with healthy neighborhoods, a vibrant urban core, a strong regional economy and quality jobs for all citizens."

Our Agency Goals

- **Quality jobs** and a vital economy
- **Housing** that enhances the community
- Quality **redevelopment** to revitalize neighborhoods and areas

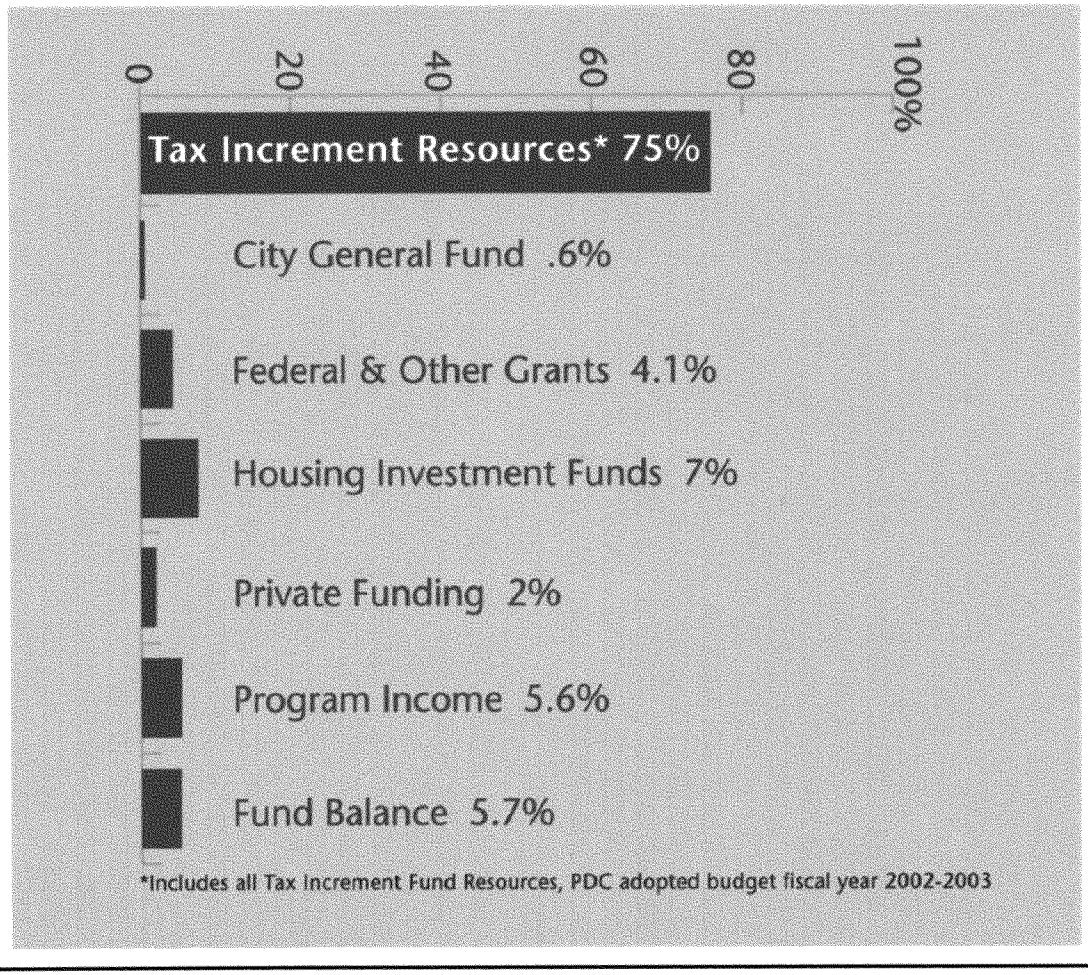
Budget by Department

FY 2003-04 Adopted Budget



Key Facts:

The importance of Tax Increment Financing (TIF)



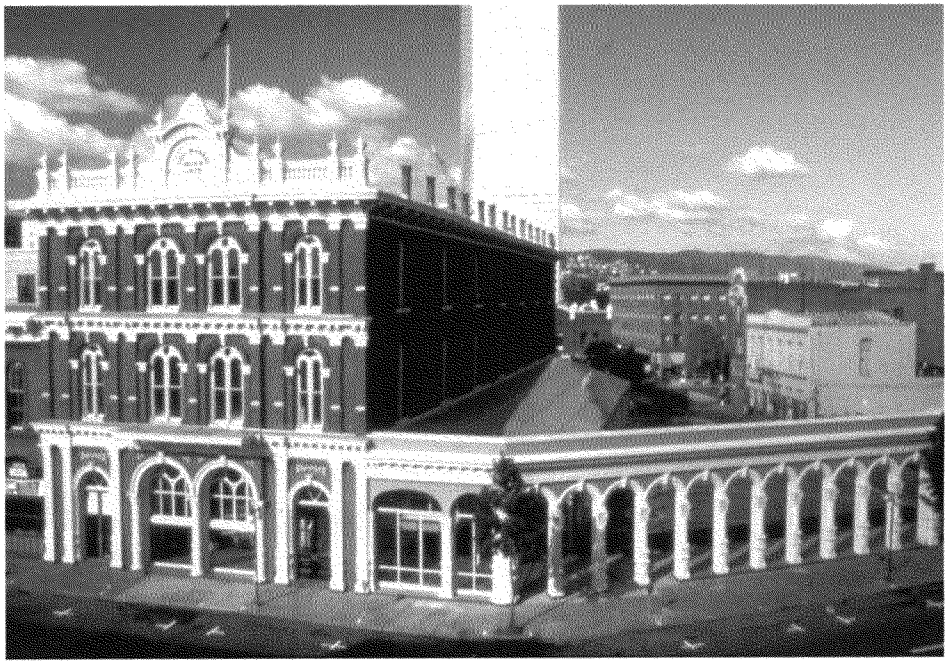
Urban Renewal
Basic Funding Concepts

A district's formation is established by Oregon Revised Statues. (ORS 457)

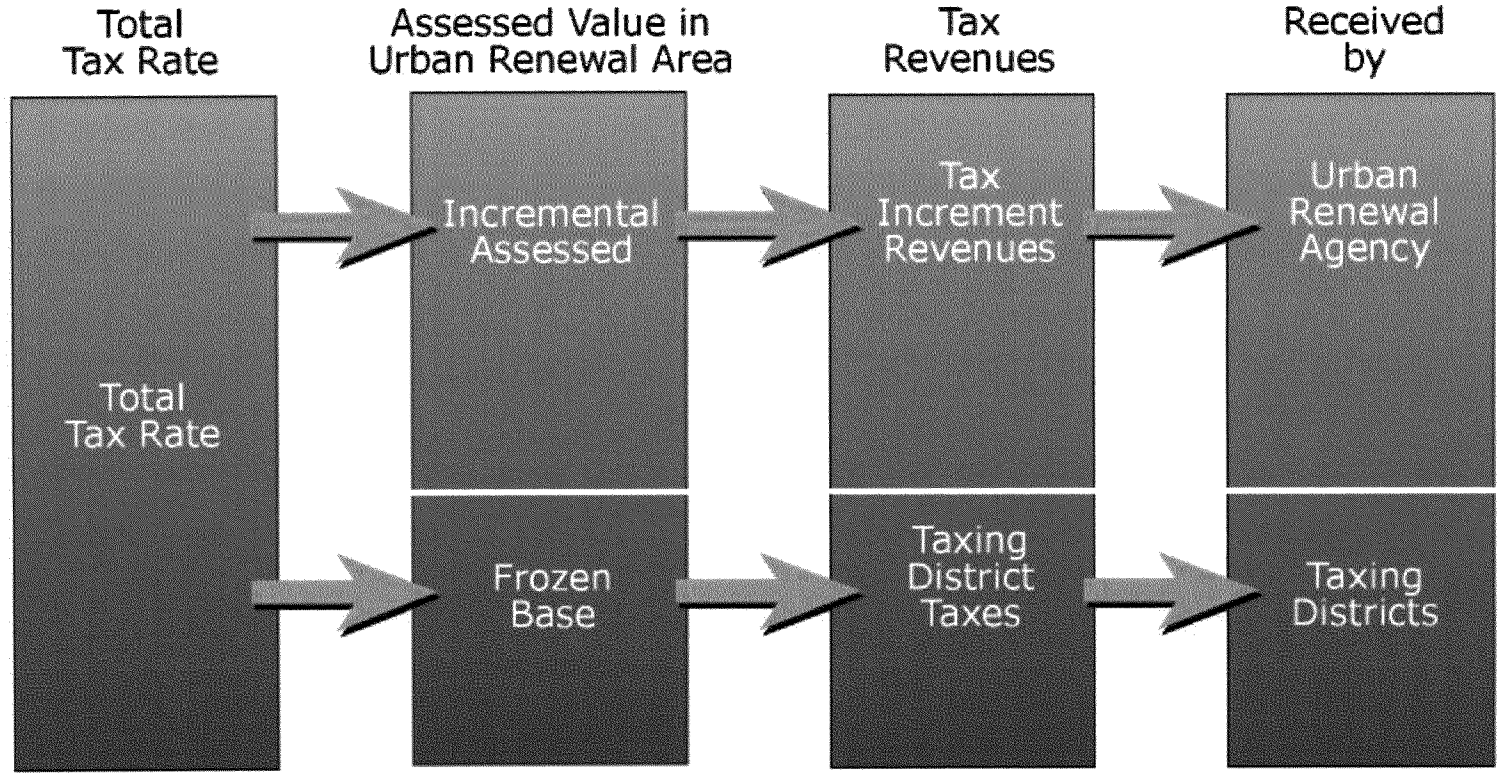
Each district requires an approved plan which includes the purpose and projects of the area.

Urban Renewal
Basic Funding Concepts

Tax Increment Revenue

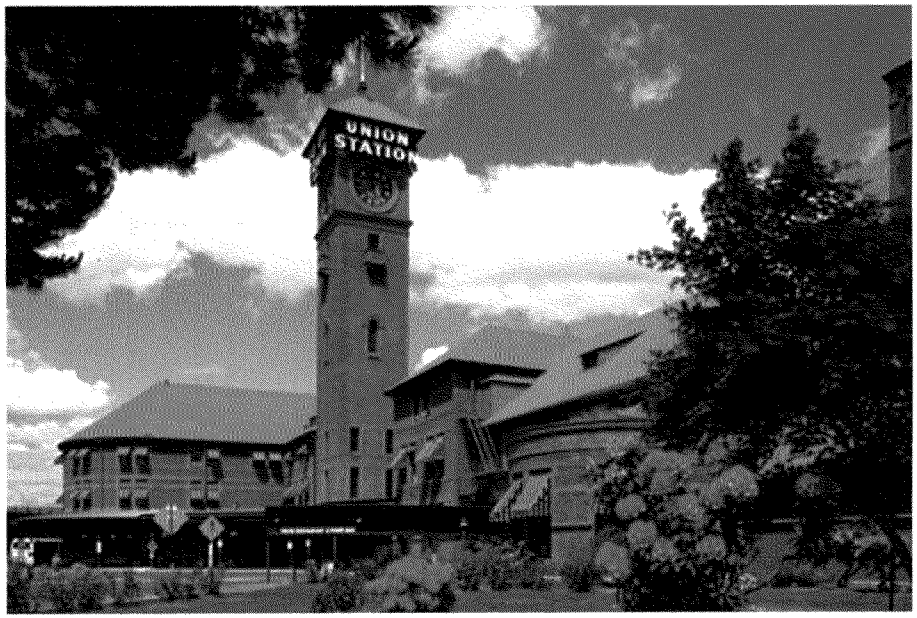


Urban Renewal
Basic Funding Concepts



Urban Renewal
Basic Funding Concepts

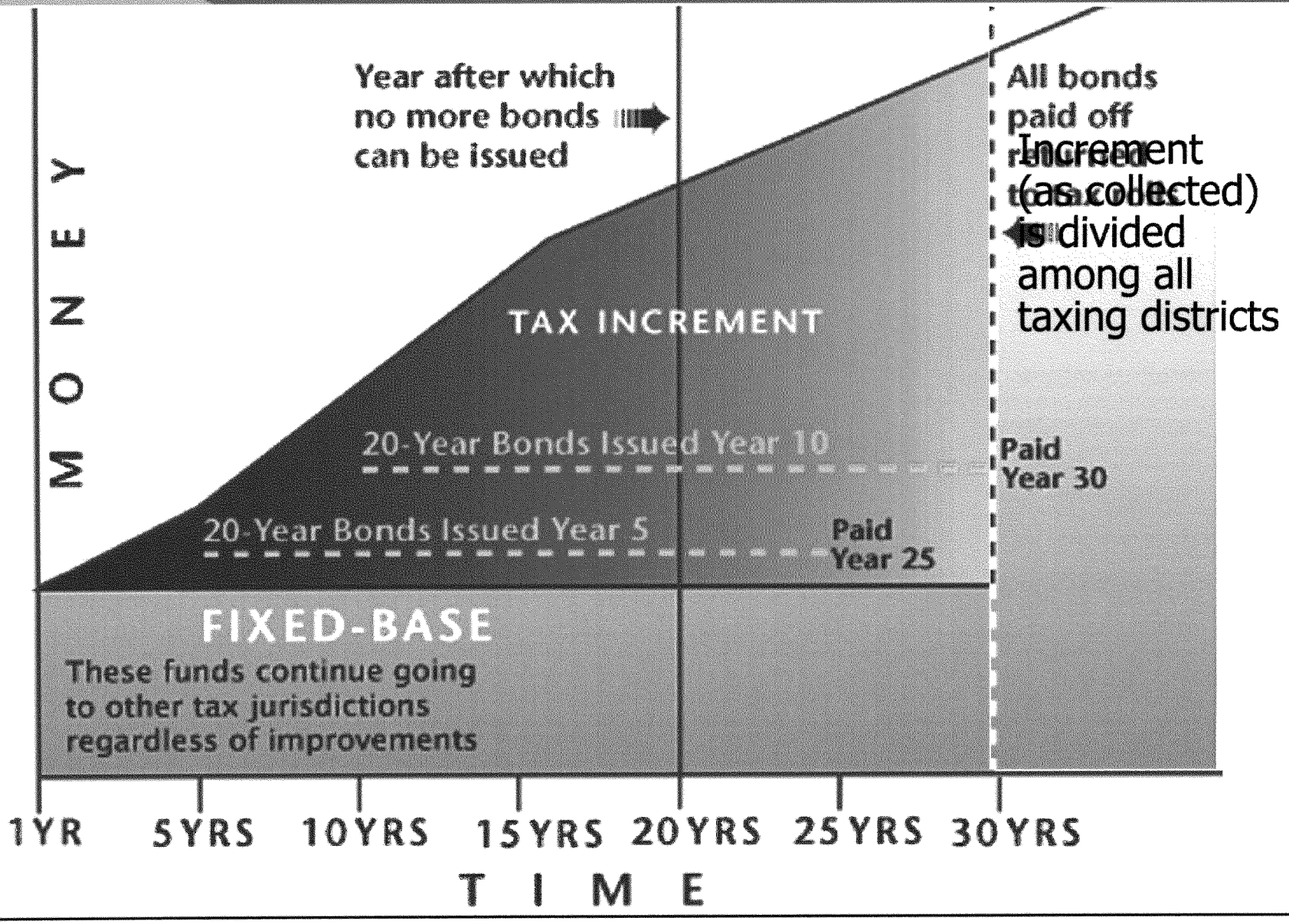
Measure 50 Options



Urban Renewal Basic Funding Concepts

A picture's worth a 1,000 words

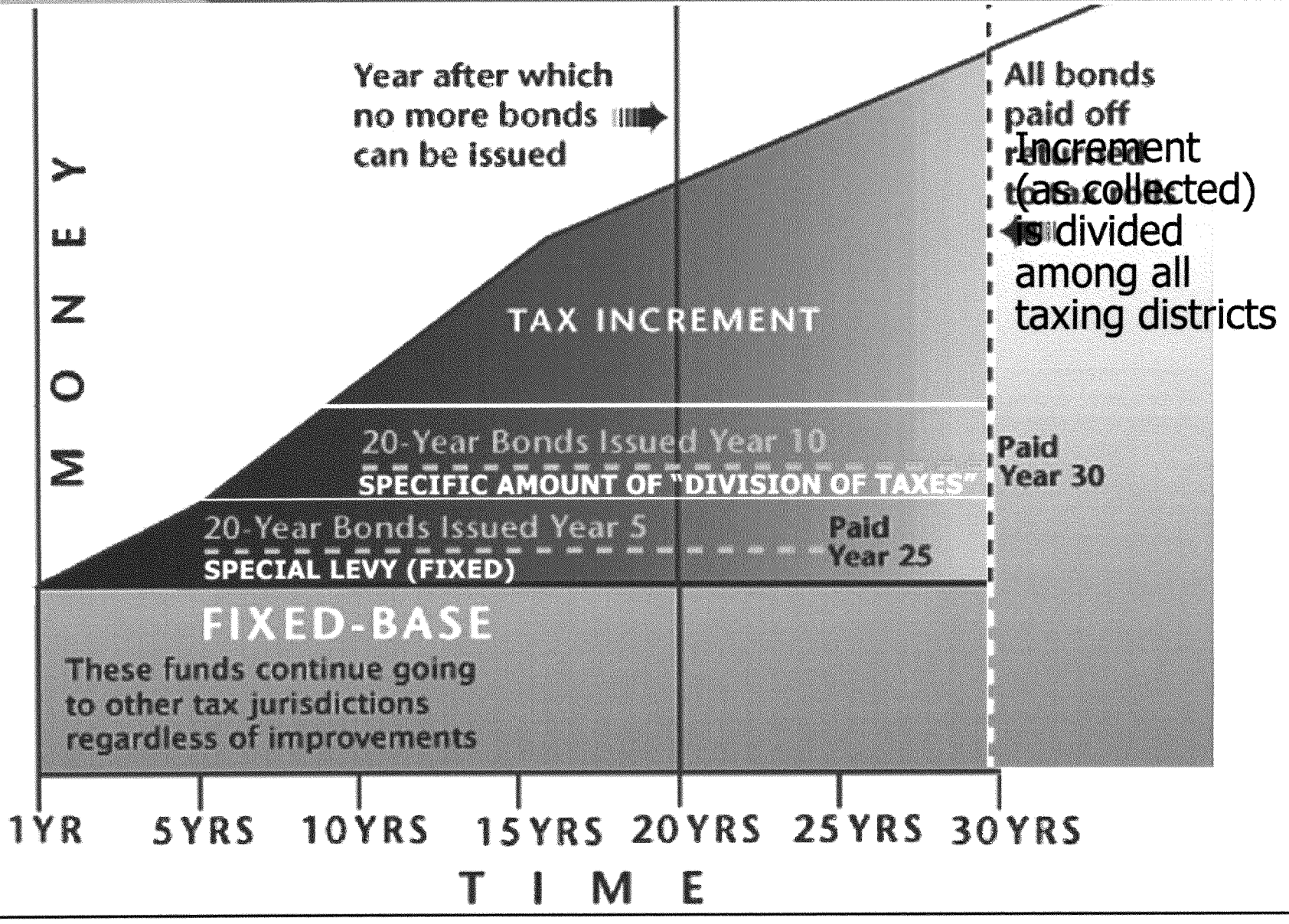
Option 1



Urban Renewal Basic Funding Concepts

A picture's worth a 1,000 words

Option 3



Urban Renewal Released AV: 2002-2003

- Urban Renewal Released AV above the frozen base (Option 3 Areas)

To Portland School District	$8,161,258
To Multnomah County	$7,295,243
To City of Portland	$6,761,776
To Multnomah Co. ESD	$676,030
Portland Community College	$417,791
To Metro	$142,711
To Port of Portland	$103,561
Total released to all local governments and schools:	**$23,558,370**

- TOTAL Released AV since Option 3 initiated (1998) $1,560,183,789

Limitations of TIF

A great tool with specific requirements

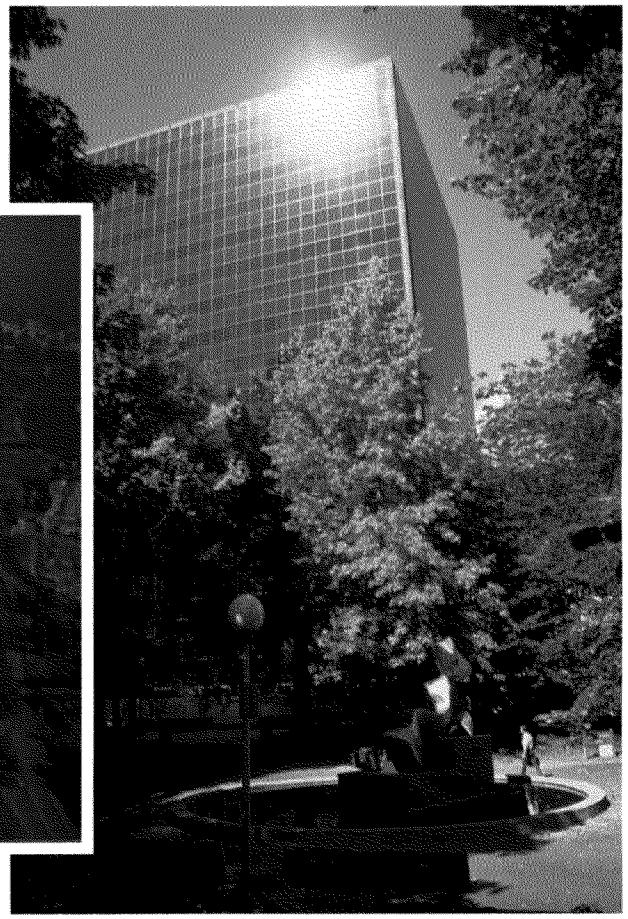
- Can't be used for residents-only programs
- Can't be used to fund social services
- Not available to support appropriate activities if outside of designated areas of the city
- Not available to support businesses that don't produce net new jobs
- Can't be used for wage or income support
- Urban Renewal Land Area is limited to 15% of AV and/or total acreage

The Three Eras of Urban Renewal

- The Era of Grand Projects
- The Era of Activism
- The Era of Post Modern Urban Planning

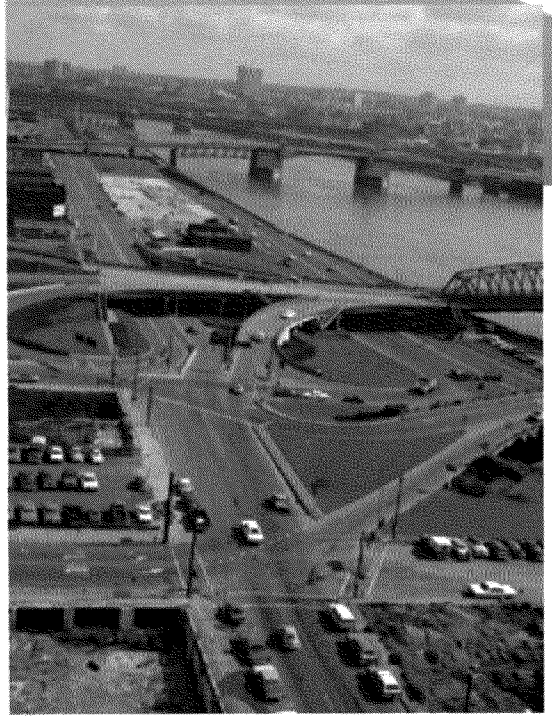
The Era of Grand Projects: South Auditorium

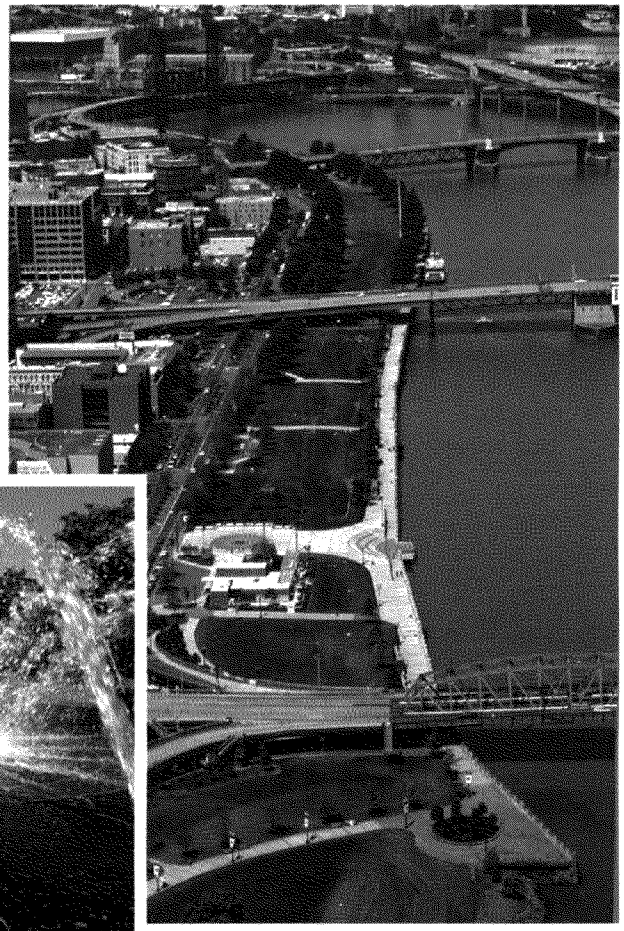
Before...



The Era of Activism: Waterfront Park

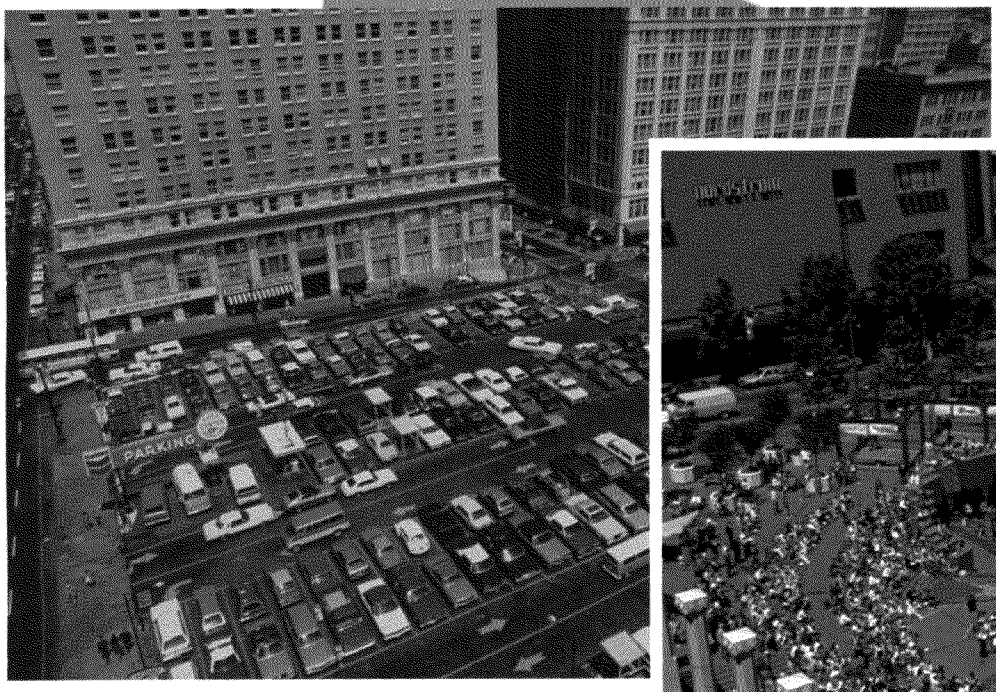
Before…





The Era of Activism: Pioneer Courthouse Square

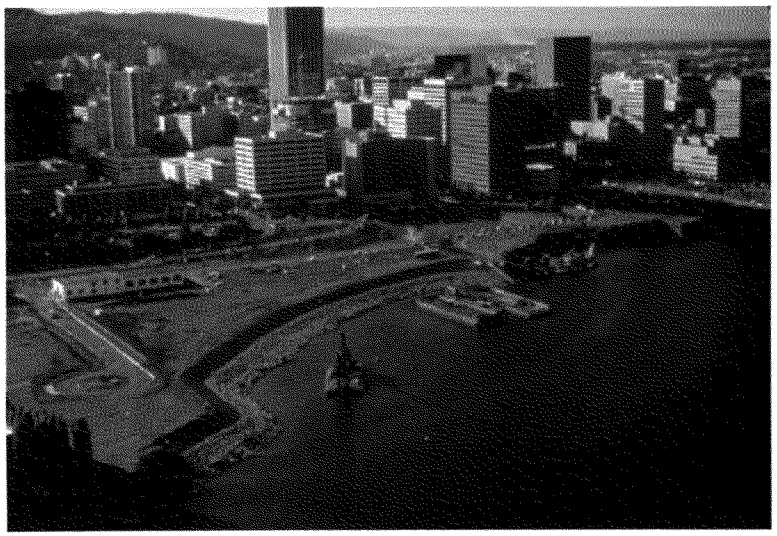
Before...



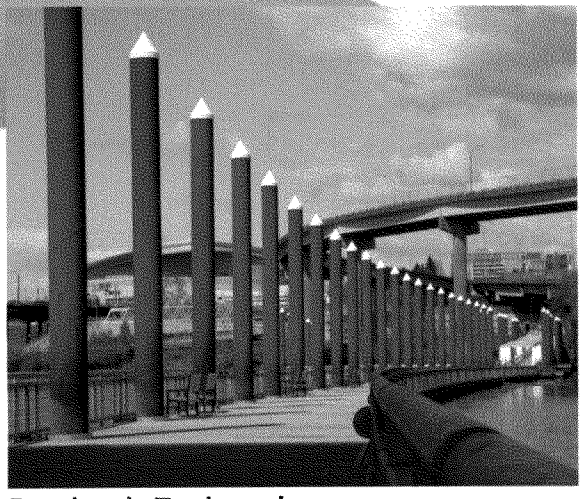
Downtown Portland's Living Room

The Era of Activism: RiverPlace

Before…

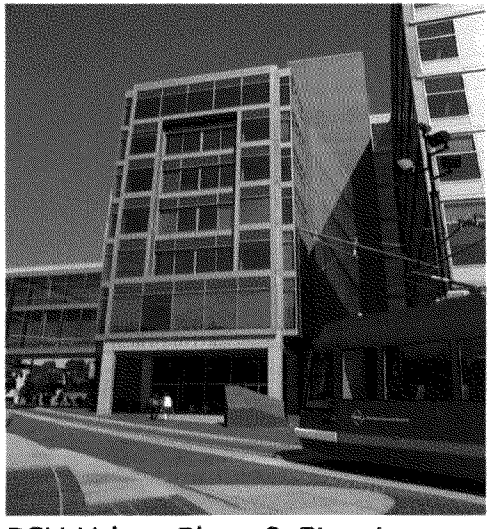


The Era of Post Modern Urban Planning



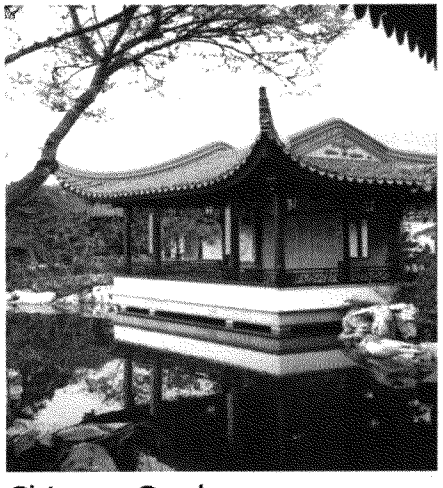
Eastbank Esplanade

Airport MAX Light Rail



PSU Urban Plaza & Streetcar

The River District



Chinese Garden

Walnut Park

Urban Renewal

Performance Measures

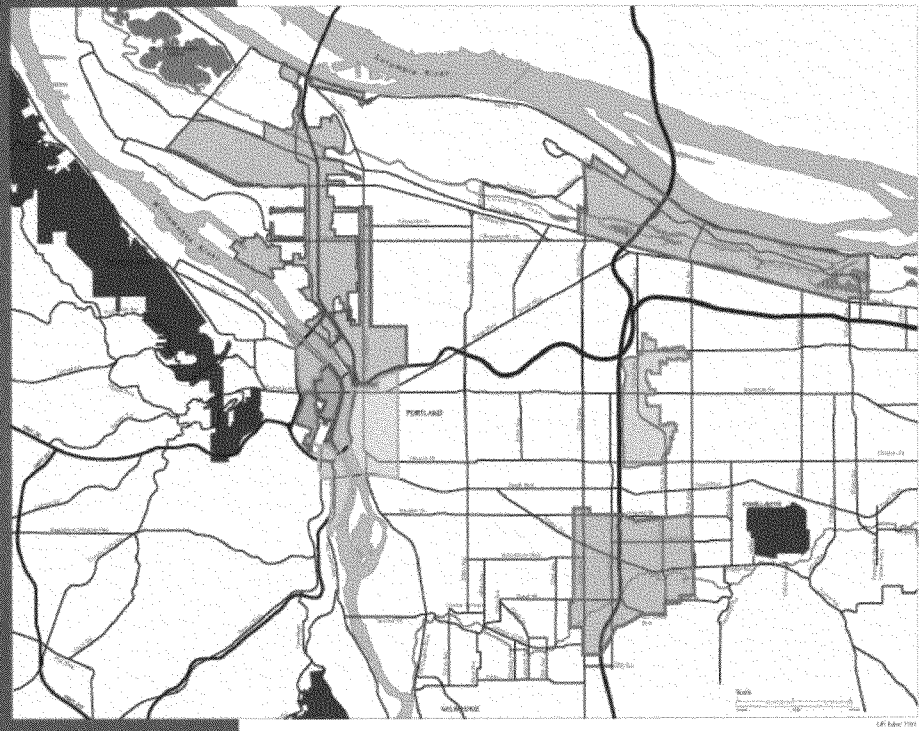
- Five urban renewal areas studied represent just 5% of the City's geographical area yet represent 11% of its assessed value
- Improvement to land values have increased in four of the areas above the city average
- Assessed real market value per acre in each district is at least 3 times greater than when the districts were created
- Increases in tax assessed real market values within each urban renewal area have outpaced citywide growth

Urban Renewal

Performance Measures

- Since 1990, crime has been reduced in four of the areas anywhere from 24.5% to 67.8% compared to citywide reductions of 15.9%
- In the past five years alone, urban renewal efforts have helped create or retain more than 10,000 jobs and have helped create or rehabilitate more than 7,700 single and multi-family homes
- Two-thirds of all residents favor the concept of urban renewal

PDC's Current Urban Renewal Areas



URBAN RENEWAL AREAS

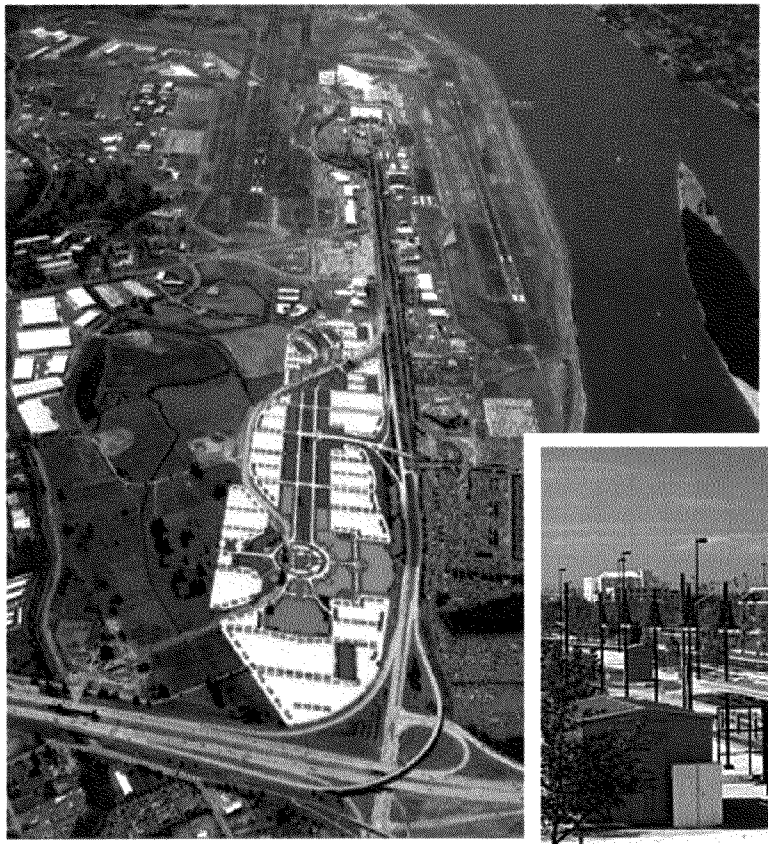
- IC - Interstate Corridor
- AW - Airport Way
- OCC - Oregon Conv. Center
- GRC - Gateway Regional Center
- RD - River District
- DTW - Downtown Waterfront
- SPB - South Parks Blocks
- CES - Central Eastside
- NMac - North Macadam
- LTC - Lents Town Center

PDC
PORTLAND DEVELOPMENT COMMISSION

Current Urban Renewal Areas

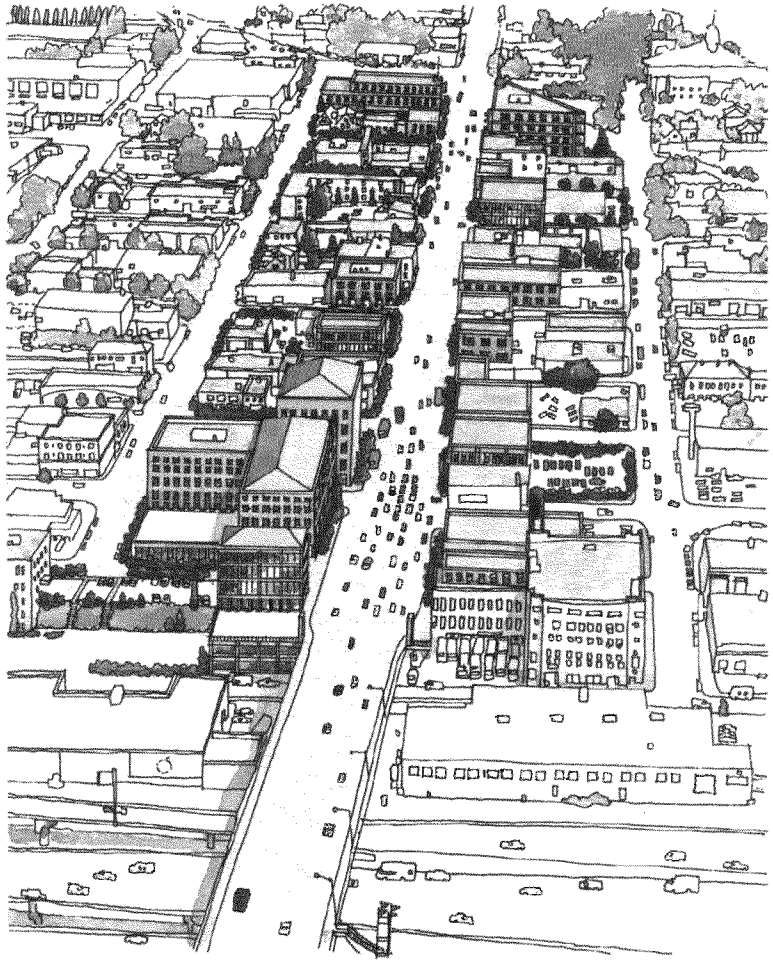
- Airport Way URA
- Central Eastside/South Park Blocks URA
- Downtown Waterfront URA
- Gateway Regional Center
- Interstate Corridor URA
- Lents Town Center URA
- North Macadam URA
- Oregon Convention Center URA
- River District URA

PDC Current and Future Projects—Airport Way



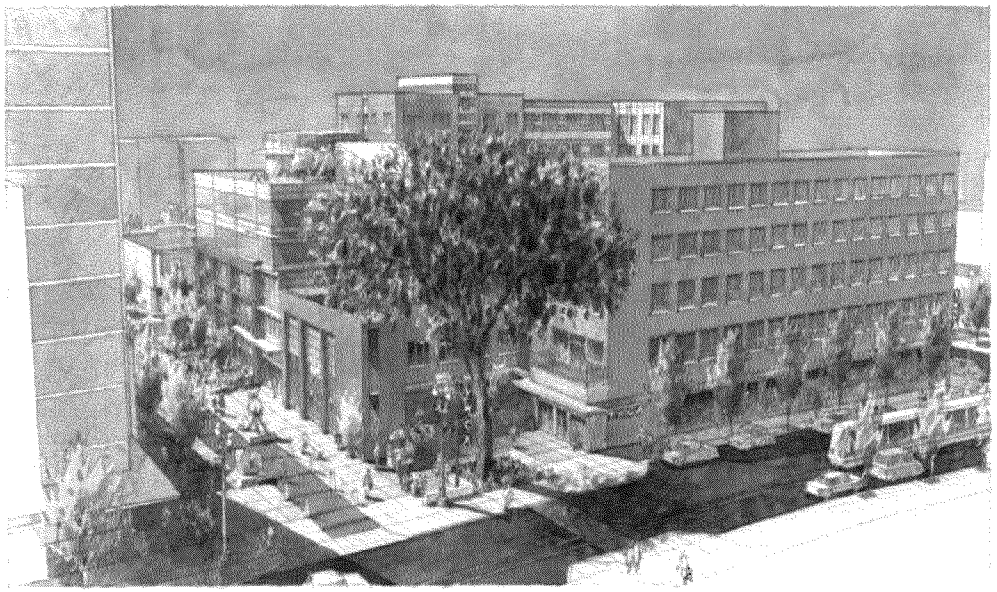
- Airport Way—Cascade Station, Quality Jobs Program, East Airport Way industrial development, Portland Hospital Services Corp., Harry's Fresh Foods

PDC Current and Future Projects—Central Eastside



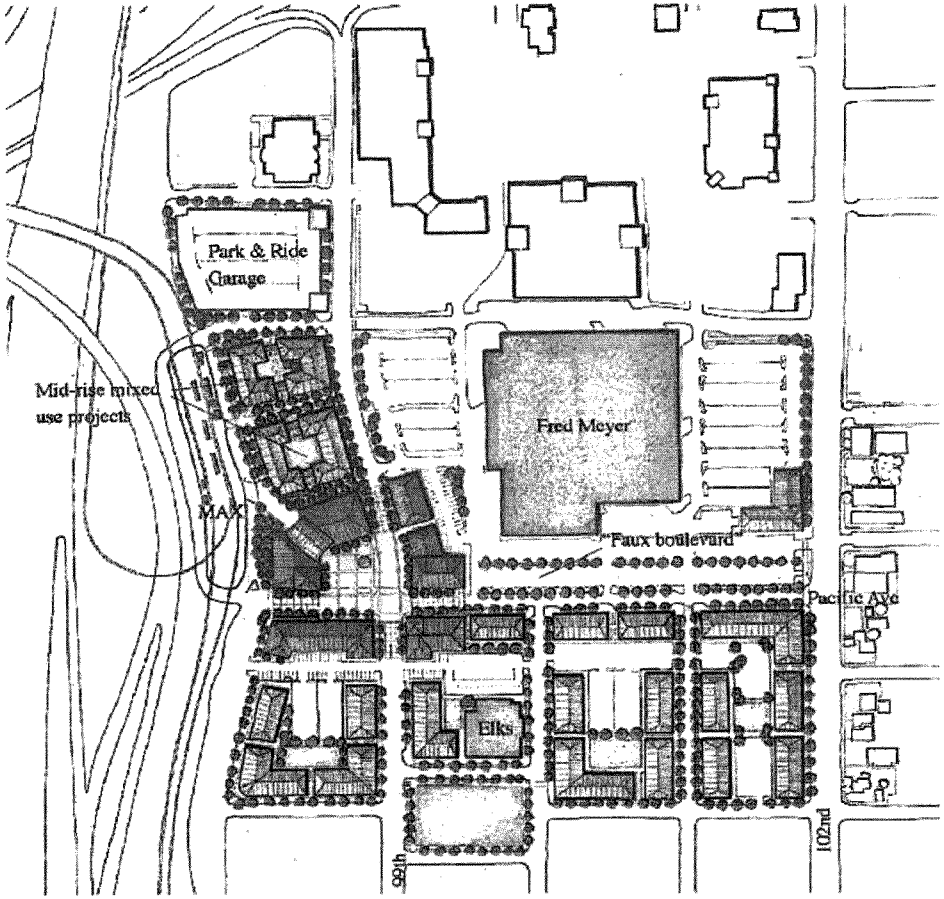
- New zoning, lower Burnside redevelopment, commercial corridor revitalization, Grand/MLK improvements, Light Watercraft Center, Fire Station #7, Eastbank Crescent

PDC Current and Future Projects Downtown & South Park Blocks



- Downtown—Museum Place, new park block development, housing preservation and development, Old Town Streetscape, Waterfront redesign

PDC Current and Future Projects—Gateway



- Station area redevelopment, jobs and housing strategies, redevelopment, Gateway Transit Center, Gateway Station

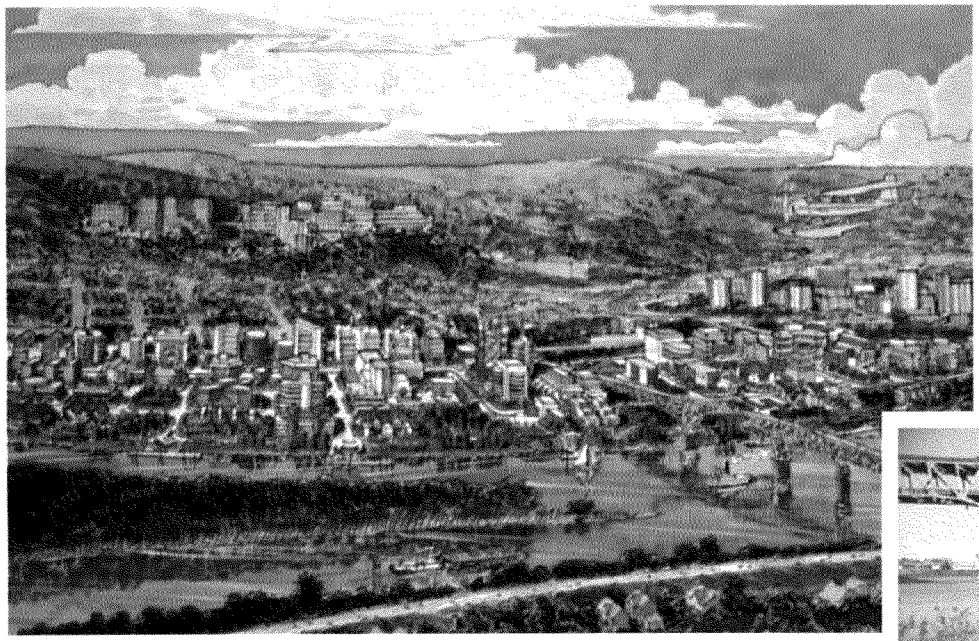
PDC Current and Future Projects—Interstate Corridor

- Interstate Corridor—Station area development, local wealth creation, new and rehabilitated housing

PDC Current and Future Projects—Lents Town Center

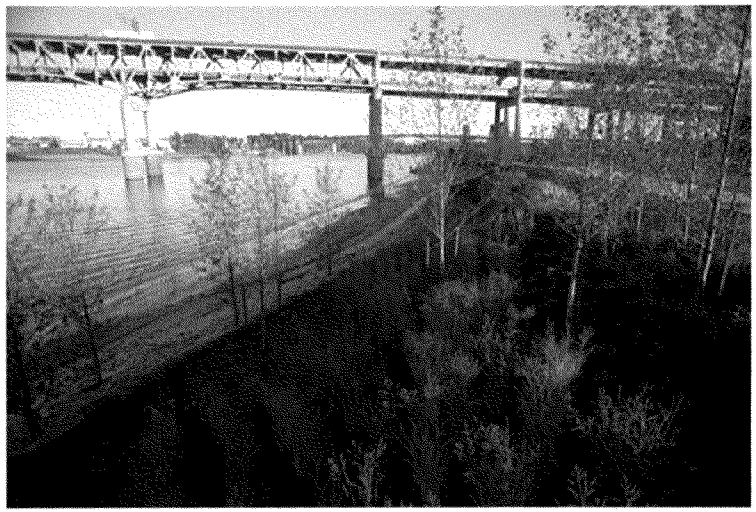
- Lents Town Center mixed-use, neighborhood street improvements, parks planning, home ownership and jobs programs

PDC Current and Future Projects—North Macadam

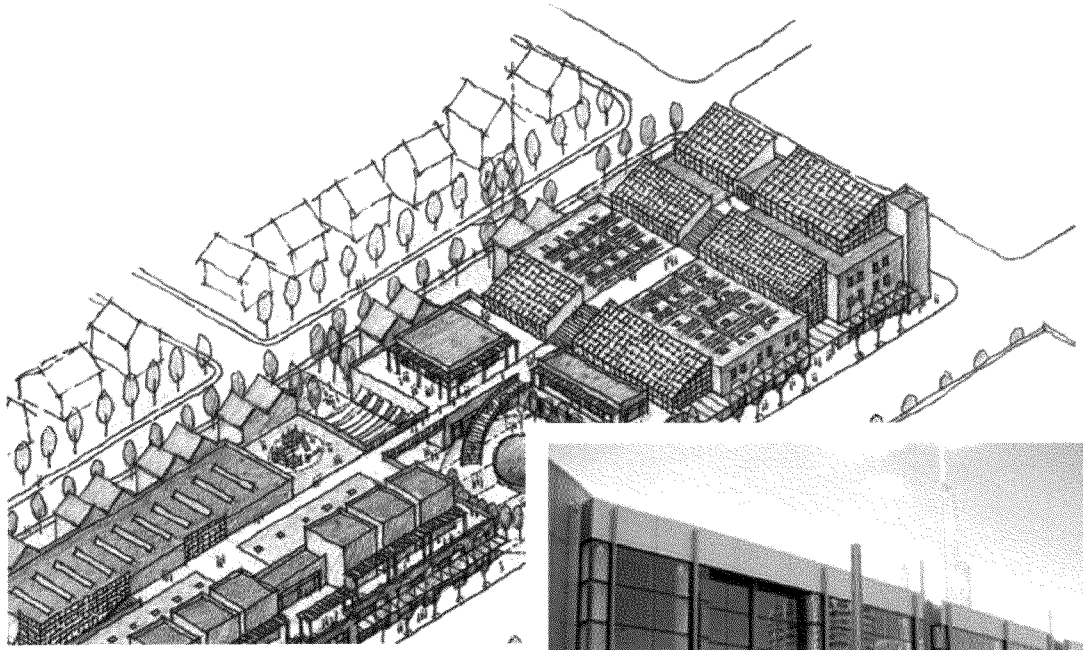


North Macadam: Portland's future district that will integrate a mixed-use commercial area and residential neighborhood with the amenities of a premiere Riverfront location.

- Street improvements and infrastructure, Streetcar development, property acquisition and development



PDC Current and Future Projects
Oregon Convention Center



Vanport Square rendering

- Redevelopment at MLK and Fremont, Vanport Project, MLK streetscape improvement, MLK commercial development, storefront improvements, commercial loans.

Convention Center expansion

- Lloyd District Plan, Convention Center expansion, commercial redevelopment

PDC Current and Future Projects—River District

- River District—Brewery Blocks, Centennial Mill, 9th and Lovejoy, One Waterfront Parking.

What Urban Renewal Does

- Improves and revitalizes specific areas of the city
  - The River District
  - The Waterfront
  - The Eastbank
  - The Oregon Convention Center and Martin Luther King, Jr. Blvd.
  - NE Alberta Street

What Urban Renewal Does

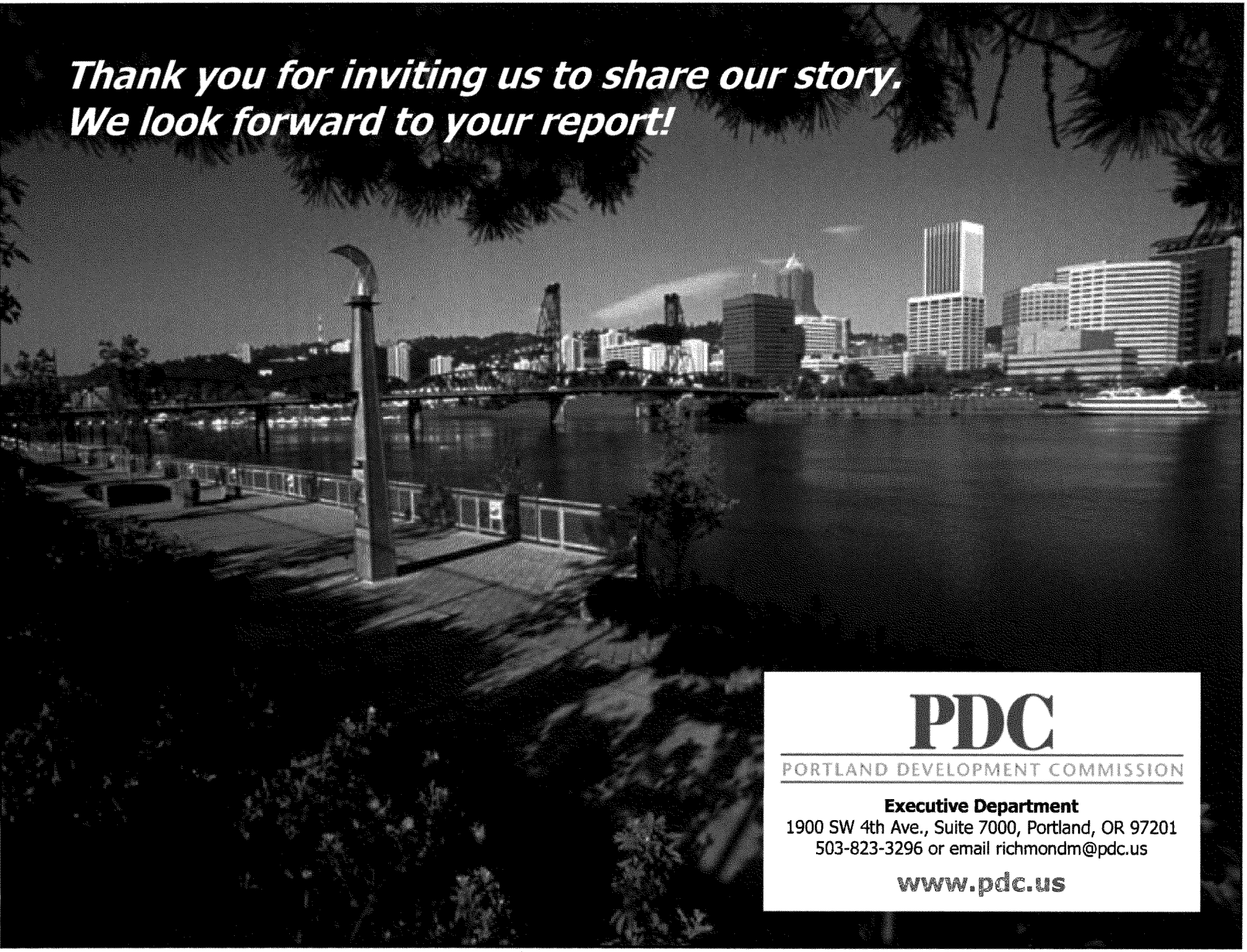
- Adds public improvements and enhanced livability
  - Streetcar
  - PSU Urban Plaza
  - Eastbank Esplanade
  - Jamison Square

What Urban Renewal Does

- Stimulates private investment
- Increases property values
  - Property values increased an average of 20 percent around the streetcar line
  - Total leverage of public to private dollars in the Brewery Blocks was 1:33

What Urban Renewal Does

- Attracts new businesses/increases jobs
- Serves as an economic development tool
  - Wacker
  - Freightliner
  - Adidas
  - Lents Tech Center
  - Sumitomo
  - LSI
  - Fujitsu


Thank you for inviting us to share our story.
We look forward to your report!
PDC
PORTLAND DEVELOPMENT COMMISSION
Executive Department
1900 SW 4th Ave., Suite 7000, Portland, OR 97201
503-823-3296 or email richmondm@pdc.us
www.pdc.us

Urban Renewal Key Facts Summary Matrix

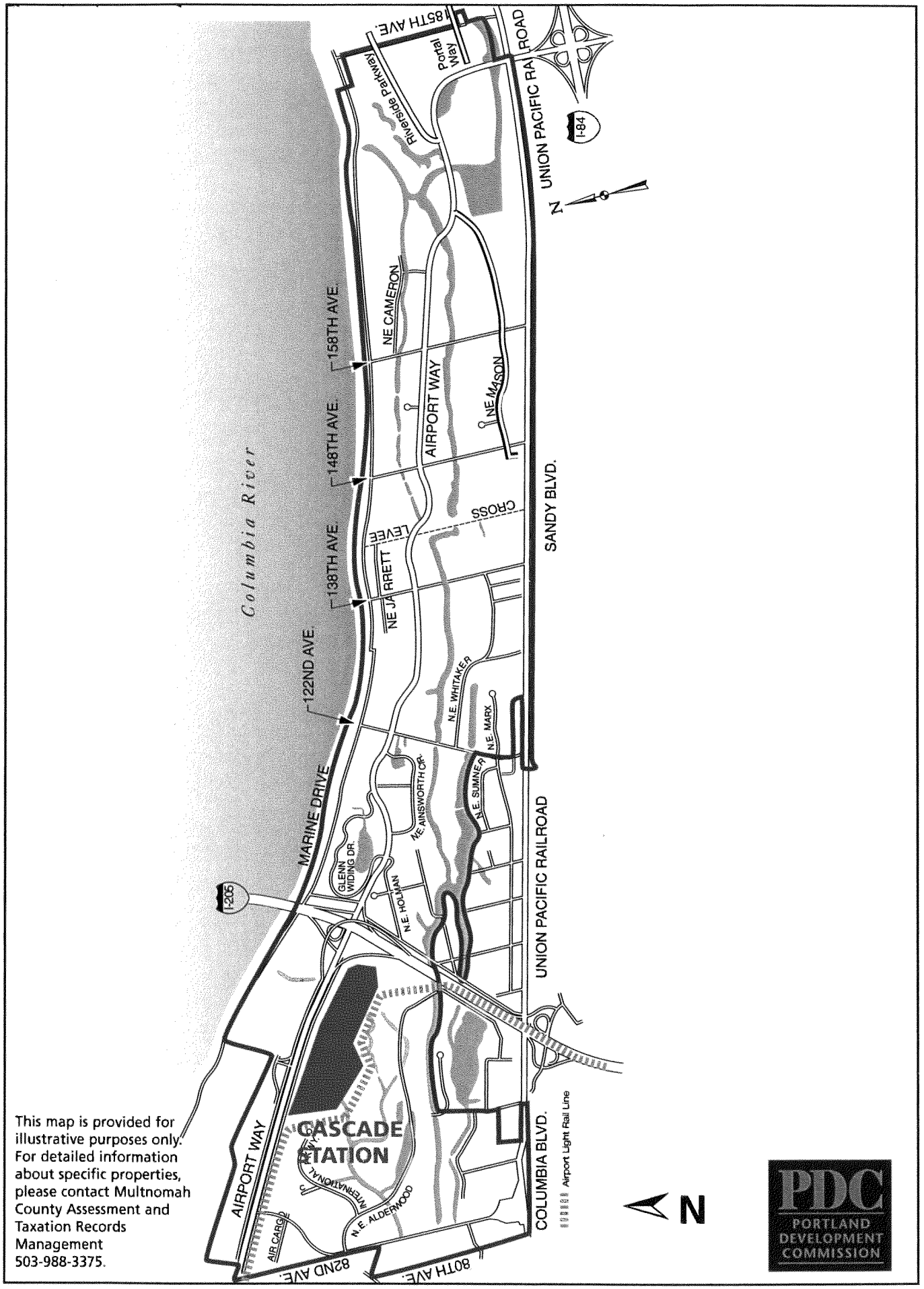
URA	Start Date	End Date	Total Acres	Maximum Indebtedness
Airport Way	1986	May 2011	2,780	$72,638,268
Central Eastside	1986	August 2006	681	$66,274,000
Downtown Waterfront	1974	April 2004	309	$165,000,000
Gateway	2001	June 2022	653	$164,240,000
Interstate Corridor	2000	June 2021	3,744	$335,000,000
Lents Town Center	1998	October 2015	2,472	$75,000,000
North Macadam	1999	June 2020	409	$288,562,000
Oregon Convention Center	1989	June 2013	601	$167,511,000
River District	1998	October 2020	310	$224,780,350
South Park Blocks	1985	July 2008	161	$143,619,000
TOTALS			12,120 acres	$1,702,624,618

Portland Development Commission
Acreage & Assessed Value of Urban Renewal Areas

	Acreage	Frozen Base AV
Airport Way	2,780	129,701,177
Central Eastside	681	224,605,349
Downtown Waterfront	309	70,866,644
Gateway	653	307,174,681
Interstate Corridor *	3,744	1,019,370,465
Lents Town Center	2,472	620,720,135
North Macadam	409	180,450,967
Oregon Convention Center	601	247,728,838
River District	310	358,684,364
South Park Blocks	161	378,055,680
Total Urban Renewal	**12,120**	**3,537,358,300**
Total City of Portland	**92,614**	**37,136,520,952**
Total Percentage URA Acreage	**13.09%**	**9.53%**
Remaining Acres	**1,772**	

* Includes Hayden Meadows amendment (34 acres)

Airport Way Urban Renewal Area



This map is provided for illustrative purposes only. For detailed information about specific properties, please contact Multnomah County Assessment and Taxation Records Management 503-988-3375.

Airport Way

Date formed: 1986
Expiration date: May 2011

	2000-01	2001-02	2002-03
AV growth in URA	14.9%	8.0%	4.6%
Average AV growth citywide	5.6%	4.4%	2.4%

Objective: Facilitate development of the Columbia Corridor as a major employment center with a diverse economy by attracting and retaining business and by supporting development of infrastructure, transit, and cultural resources. Encourage employers to provide quality job opportunities to residents of economically disadvantaged communities.

Recent Successes/Accomplishments:

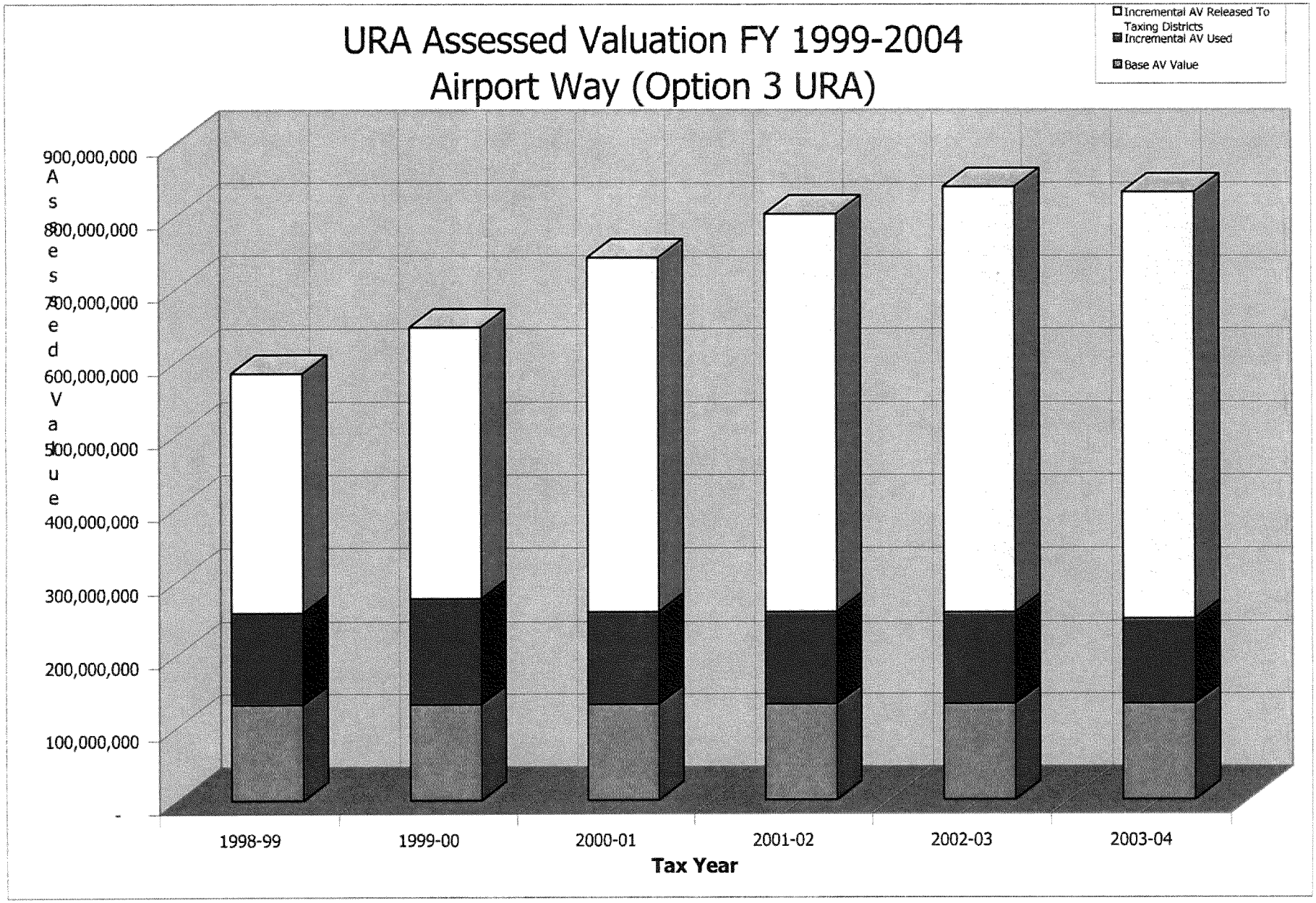
- PDC purchased 38 acres in January 2002 for $7.2M. To stimulate private investment, PDC provided $1.7M in infrastructure improvements including a half street widening of NE 185th, NE Riverside Parkway sidewalk, sanitary sewer and storm sewer, two water lines, and electric. The subdivision, Riverside Parkway Corporate Center, is projected to accommodate 800 new jobs.

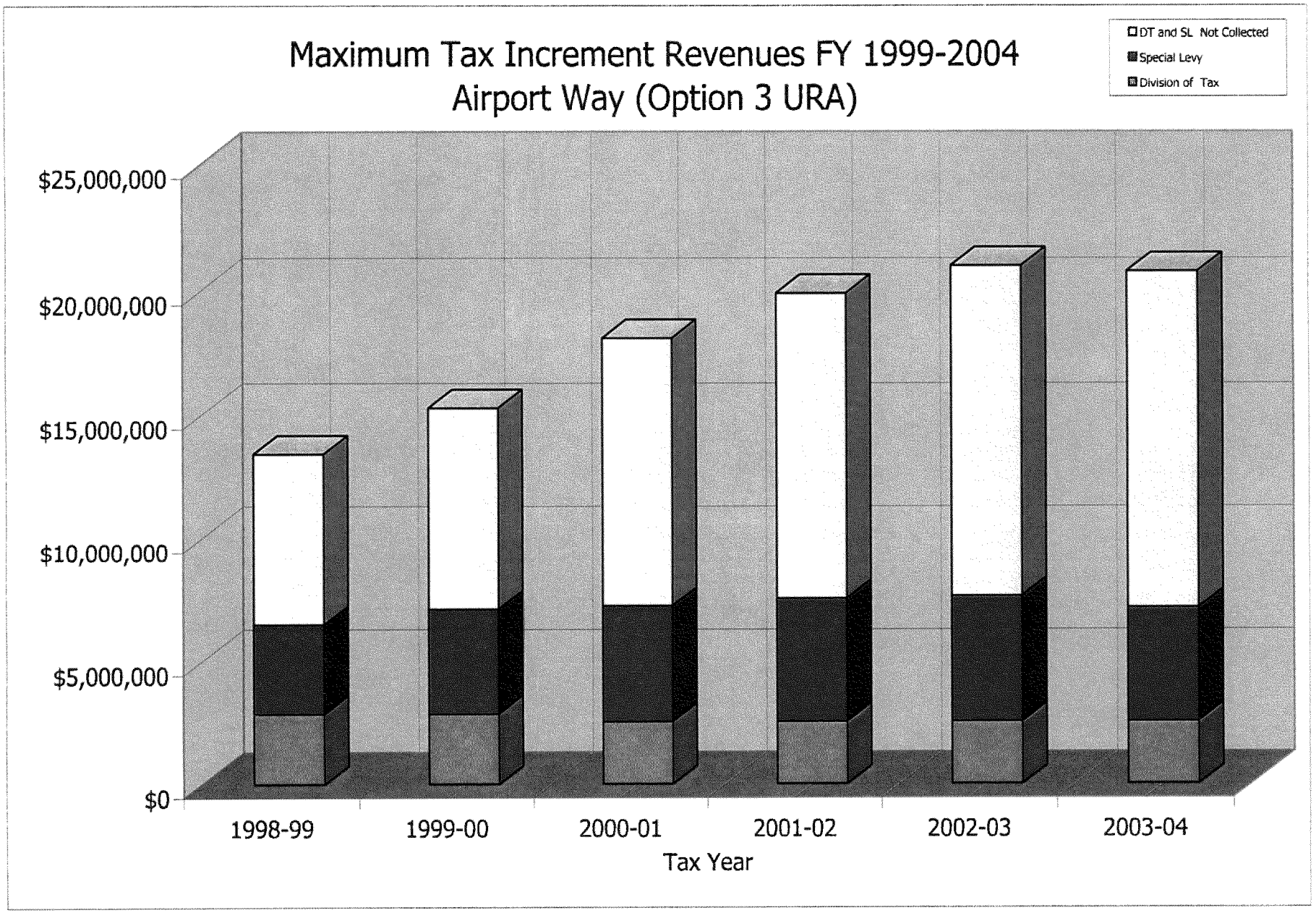
- On December 17, 2002, Portland Hospital Service Corporation broke ground on a new facility located on 4.72 acres in the Riverside Parkway Corporate Center and will to move in fall 2003. They will use the Quality Jobs Program to bring at least 115 full-time employees.

- Harry's Fresh Foods (a locally owned company that produces soups, puddings, and sauces) expanded into the URA on the corner of Airport Way and NE Riverside Parkway in December 2002. Harry's is using PDC's Quality Jobs Program for new construction, moving from a 40,000 s.f. building to an 80,000 s.f. building and retained 150 jobs within the city of Portland.

Key Current Project/Challenge: Cascade Station

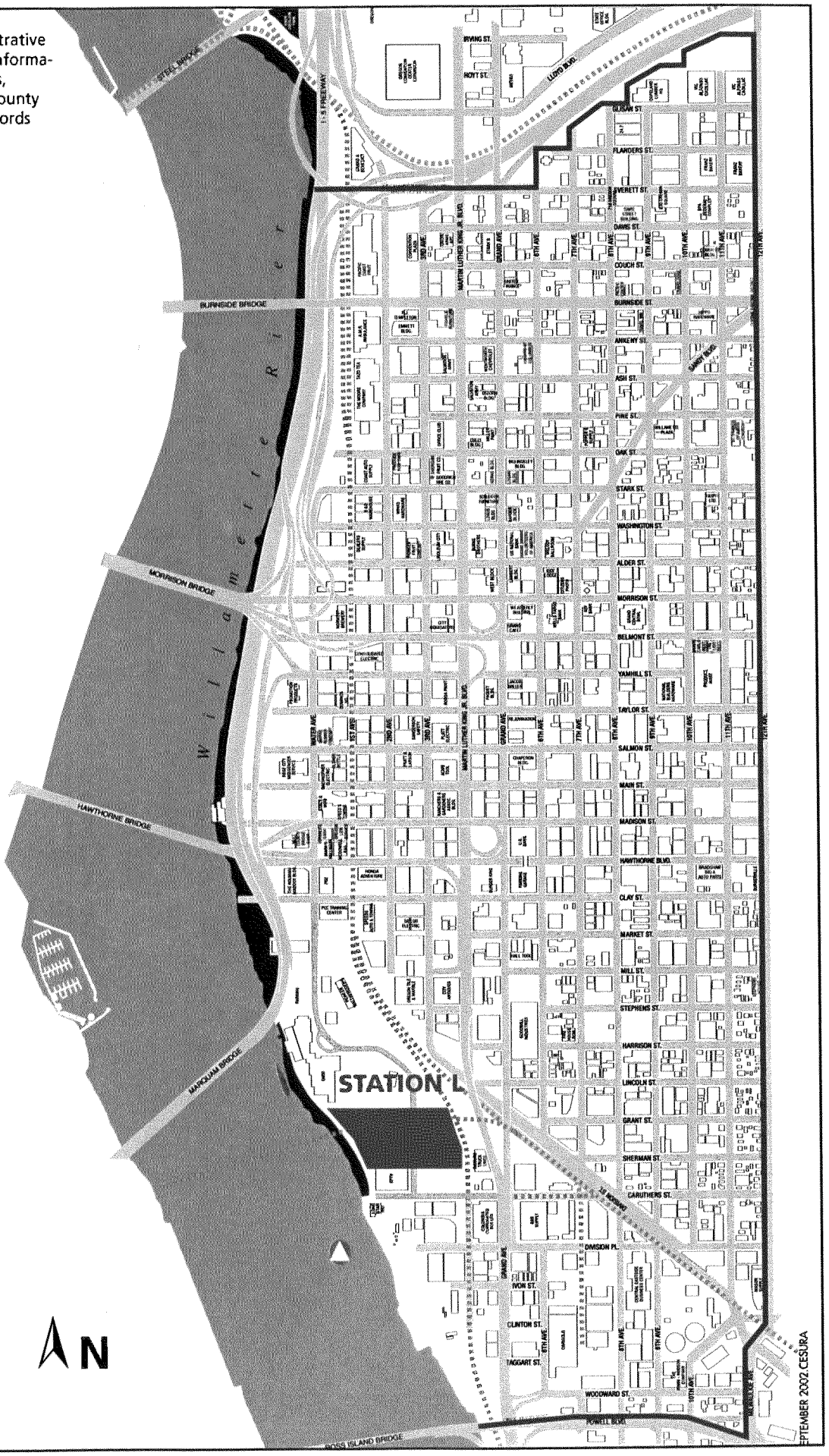
Staff continues to work with the Cascade Station Development Company (CSDC) to seek tenants and other users necessary to proceed with development of the 120-acre mixed use project. With the current economic downturn, staff and CSDC have been evaluating potential changes to the master development plan and land use restrictions to allow greater flexibility in the type of development and tenant mix that may make the project more feasible. At build out the project should produce over 10,000 new jobs and yield over 400,000 square feet of mixed use development.


URA Assessed Valuation FY 1999-2004
Airport Way (Option 3 URA)
Incremental AV Released To Taxing Districts
Incremental AV Used
Base AV Value
900,000,000
800,000,000
700,000,000
600,000,000
500,000,000
400,000,000
300,000,000
200,000,000
100,000,000
-
Assessed Value
1998-99
1999-00
2000-01
2001-02
2002-03
2003-04
Tax Year


Maximum Tax Increment Revenues FY 1999-2004
Airport Way (Option 3 URA)
DT and SL Not Collected
Special Levy
Division of Tax
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$0
1998-99
1999-00
2000-01
2001-02
2002-03
2003-04
Tax Year

Central Eastside Urban Renewal Area

This map is provided for illustrative purposes only. For detailed information about specific properties, please contact Multnomah County Assessment and Taxation Records Management 503-988-3375.



PDC
PORTLAND DEVELOPMENT COMMISSION

N

EPTEMBER 2002 CESURA

Central Eastside

Date formed: 1986
Expiration date: August 2006

	2000-01	2001-02	2002-03
AV growth in URA	- 4.7%	8.7%	- 0.9%
Average AV growth citywide	5.6%	4.4%	2.4%

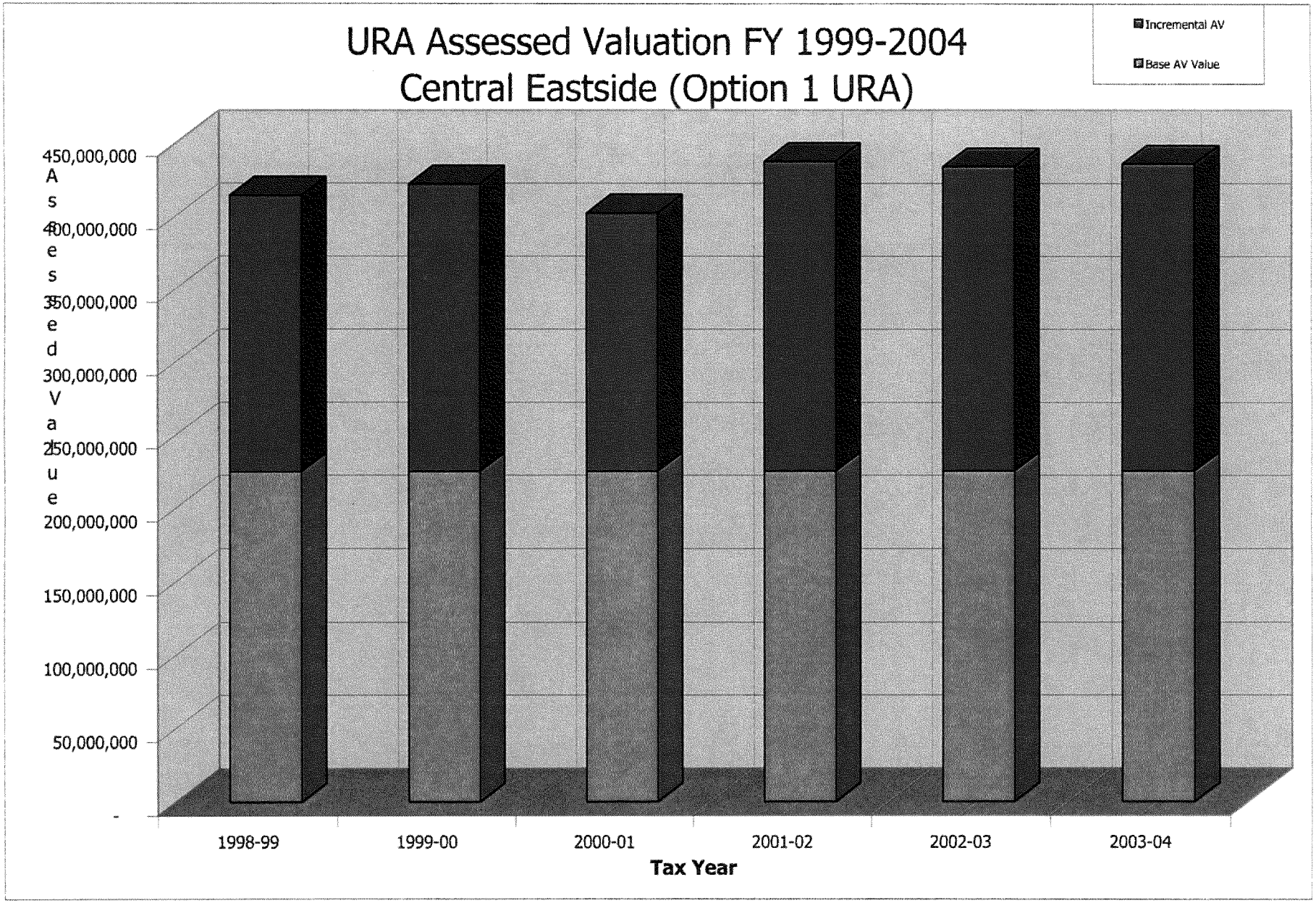
Objective: Support neighborhood, business, and property owner goals of enhancing vitality and facilitating continued growth in the Central Eastside as a major employment center.

Recent Successes/Accomplishments:

- Negotiating DDA for redevelopment of Block 106/ Wentworth Place.
- Initiated zoning modifications consistent with Central Eastside Development Opportunity Strategy.
- Proposed rehabilitation of Holman Building for Light Watercraft tenancy. Completed conceptual design for Esplanade Phase 3. Initiated RFP process for redevelopment of Fire Station #7.
- Facilitated and completed phase 1 work of two transportation related projects: Burnside Transportation and Urban Design Plan process and the MLK/Grand Viaduct replacement project.
- Completed Phase 3 (Morrison to Main) of the MLK/Grand Streetscape Improvement project. Completing Phase 4 (Main to Lincoln) engineering.

Key Current Project/Challenge:

Station L and surrounding area opportunities. This project involves the development of the 6.3 acre site located on Water Avenue adjacent to Caruthers Street. PDC is creating a "site plan development feasibility and illustrative plan" in cooperation with the landowner – PGE. This analysis will refine and illustrate what type of development can be done on the site and can be used by PGE for marketing or sale of the site to PDC. This site is a focal point of a larger redevelopment area that stretches from the former KPTV facility to Taylor Street between the river and the railroad tracks. This approximately 30-acre area includes OMSI, the Holman building owned by PDC, and several ODOT parcels PDC is in the process of purchasing. Redevelopment of this area should both reflect and define the evolution of the industrial sanctuary into an employment sanctuary. Specific issues will include shared parking, access, traffic, and types of uses most appropriate for the area.


URA Assessed Valuation FY 1999-2004
Central Eastside (Option 1 URA)
Incremental AV
Base AV Value
450,000,000
400,000,000
350,000,000
300,000,000
250,000,000
200,000,000
150,000,000
100,000,000
50,000,000
-
Assessed Value
1998-99
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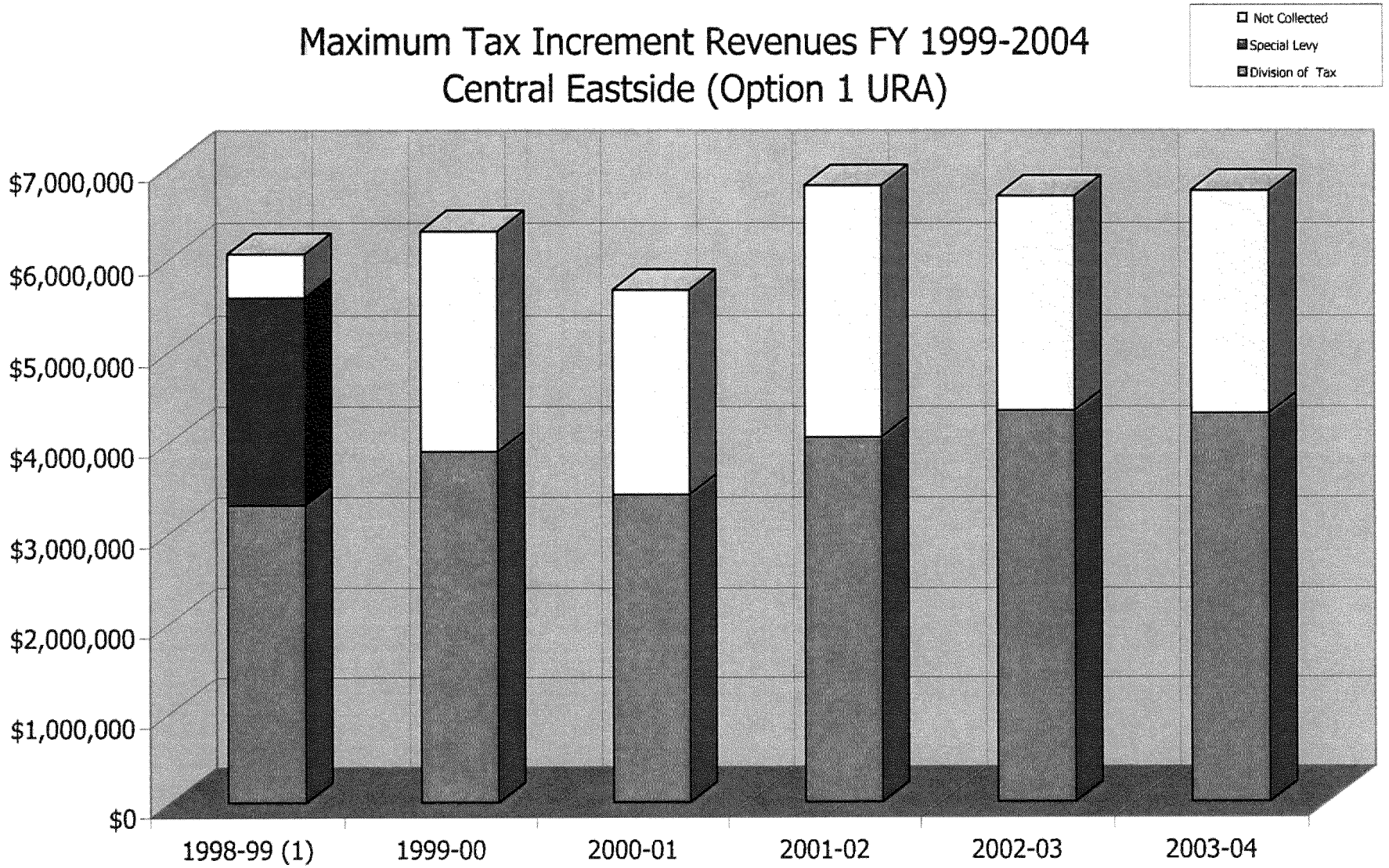
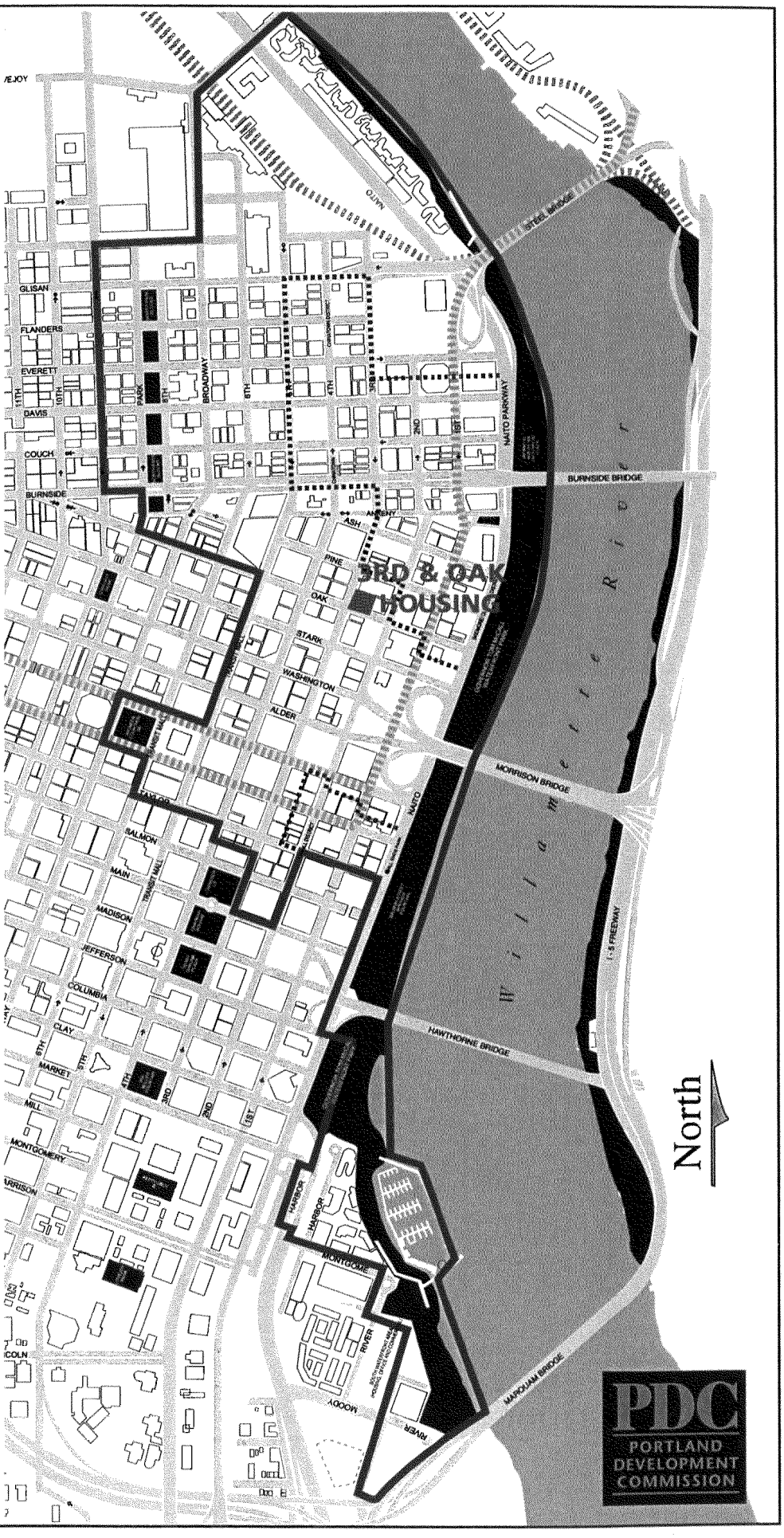
2000-01
2001-02
2002-03
2003-04
Tax Year

Maximum Tax Increment Revenues FY 1999-2004
Central Eastside (Option 1 URA)



(1) Due to an error in the taxation filing with the County, an unanticipated Special Levy was imposed in the CES URA in FY 1998-99. The Special Levy was under collected in FY1999-00 to correct the error. No special levy has been imposed since that time.

DT Waterfront Urban Renewal Area



This map is provided for illustrative purposes only. For detailed information about specific properties, please contact Multnomah County Assessment and Taxation Records Management 503-988-3375.

PDC
PORTLAND DEVELOPMENT COMMISSION

Downtown Waterfront

Date formed: 1974
Expiration date: April 2004

	2000-01	2001-02	2002-03
AV growth in URA	8.5%	10.0%	4.8%
Average AV growth citywide	5.6%	4.4%	2.4%

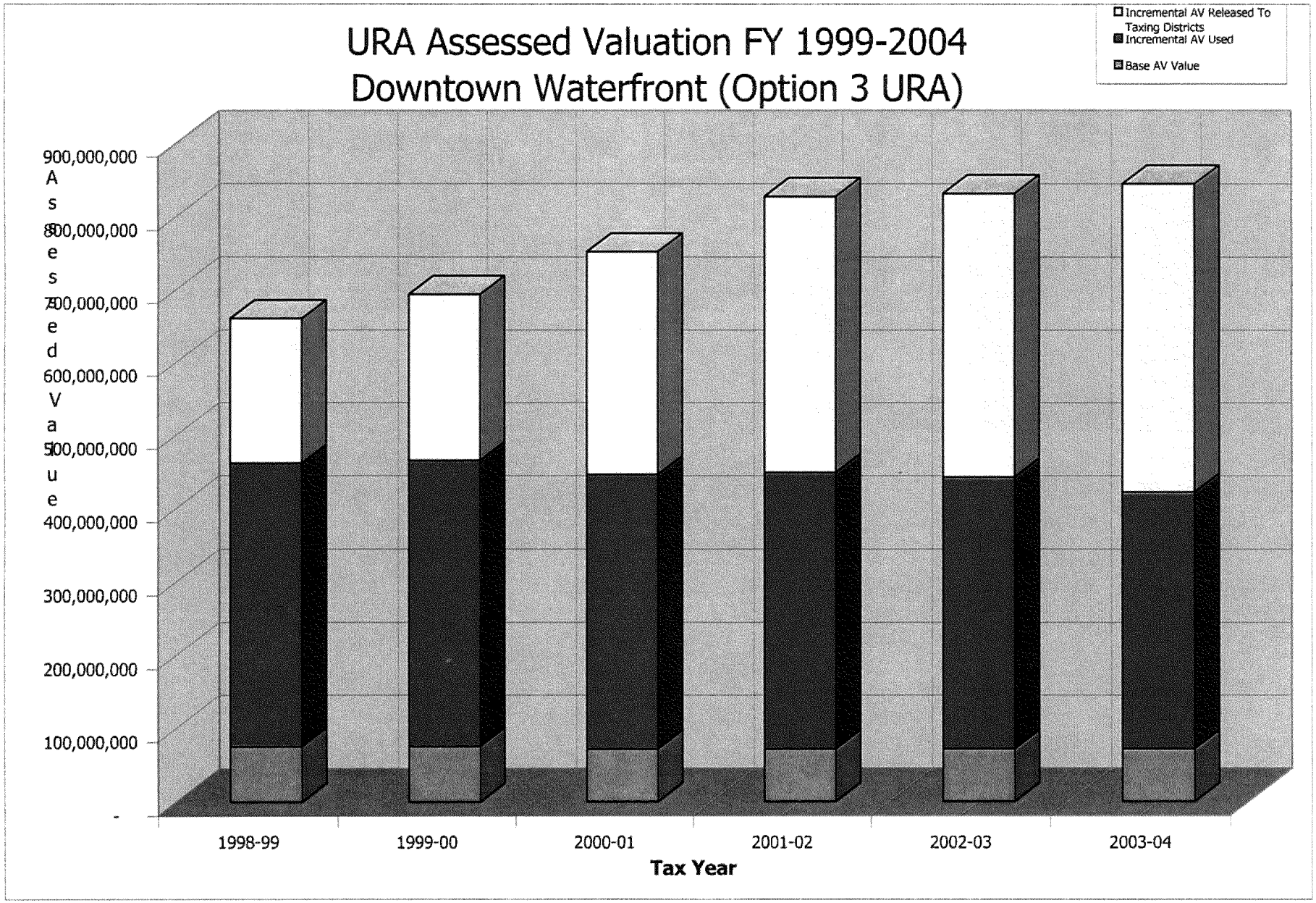
Objective: To attract people and investment by reinforcing Downtown's health and vitality as the state's largest employment, business, and cultural center. To support major recreation/entertainment sector growth, preserve our architectural heritage, increasing our retail competitiveness, and increasing a balanced mix of housing opportunities. To retain and enhance Union Station's function as a public asset and transportation center for the regional transit system.

Recent Successes/Accomplishments:

- Approved Downtown Retail Strategy. Completed preliminary consultant findings on Waterfront Development Opportunity Analysis.
- Commission and City Council approval of the 3rd and 4th Avenue Streetscape improvements in Old Town/Chinatown
- Secured site and financing for 180 unit Danmore 0-30% MFI housing project.

Key Current Project/Challenge:

3rd and Oak Housing Development. The 1/4 block located at the northeast corner of SW Third Avenue and Oak Street is planned to be redeveloped with 200 or more rental housing units including a mix of units affordable to persons under 60 percent of median and market rate rental units with ground floor retail. This project is a key component in PDC's and the City's efforts to implement the No Net Loss Housing Policy to preserve or replace 1,200 affordable housing units in the Central City, the Downtown Housing Implementation Strategy goal to develop mixed-income rental housing Downtown, and the Downtown Retail Strategy Report recommendation that the City formally adopt a goal of constructing 2,500 market rate housing units in the downtown core by 2010. A Request for Proposals to solicit a development team for the project will be issued in the first quarter of 2003.


URA Assessed Valuation FY 1999-2004
Downtown Waterfront (Option 3 URA)
Incremental AV Released To Taxing Districts
Incremental AV Used
Base AV Value
900,000,000
800,000,000
700,000,000
600,000,000
500,000,000
400,000,000
300,000,000
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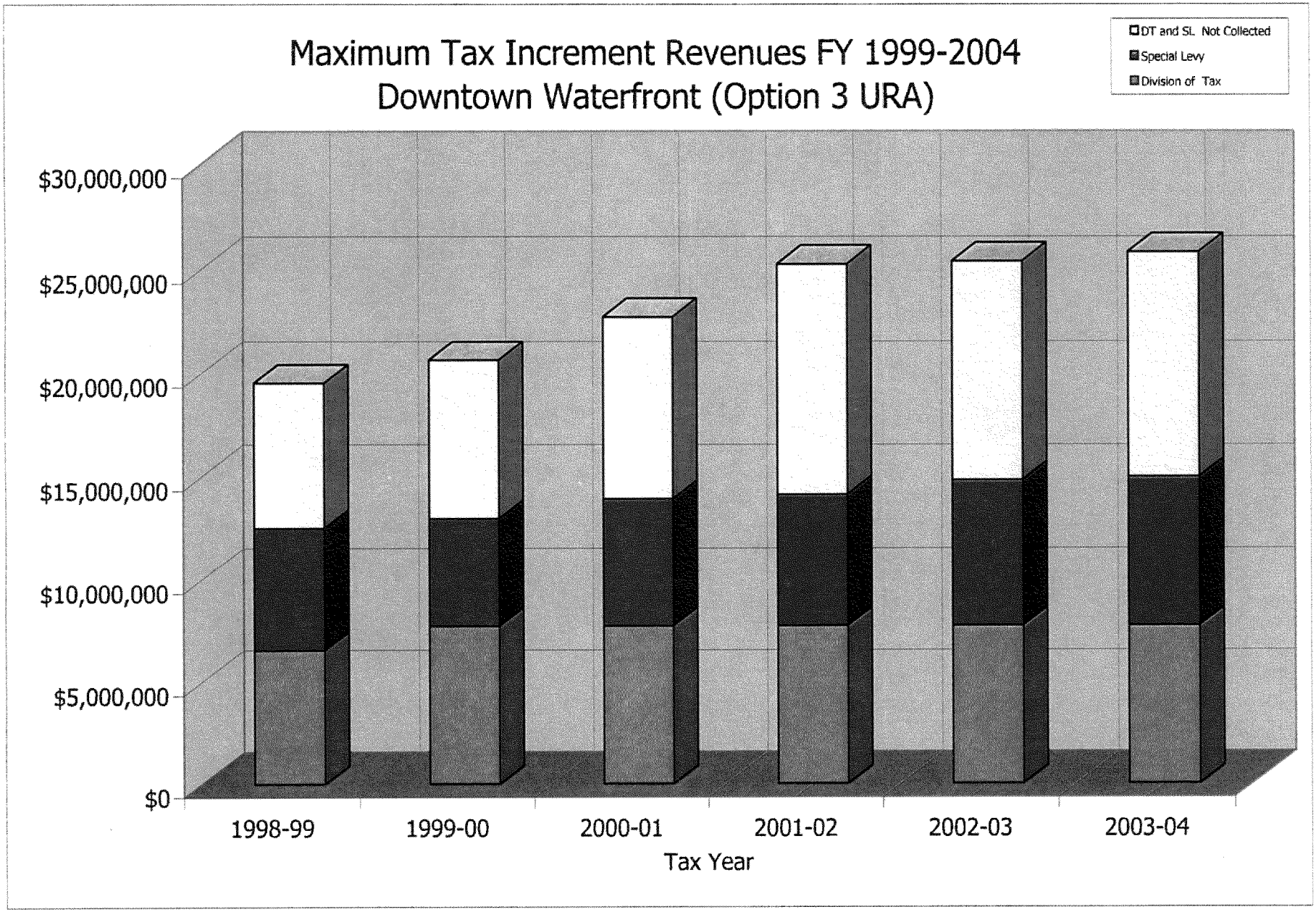
2002-03
2003-04
Tax Year


Maximum Tax Increment Revenues FY 1999-2004
Downtown Waterfront (Option 3 URA)
DT and SL Not Collected
Special Levy
Division of Tax
$30,000,000
$25,000,000
$20,000,000
$15,000,000
$10,000,000
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1998-99
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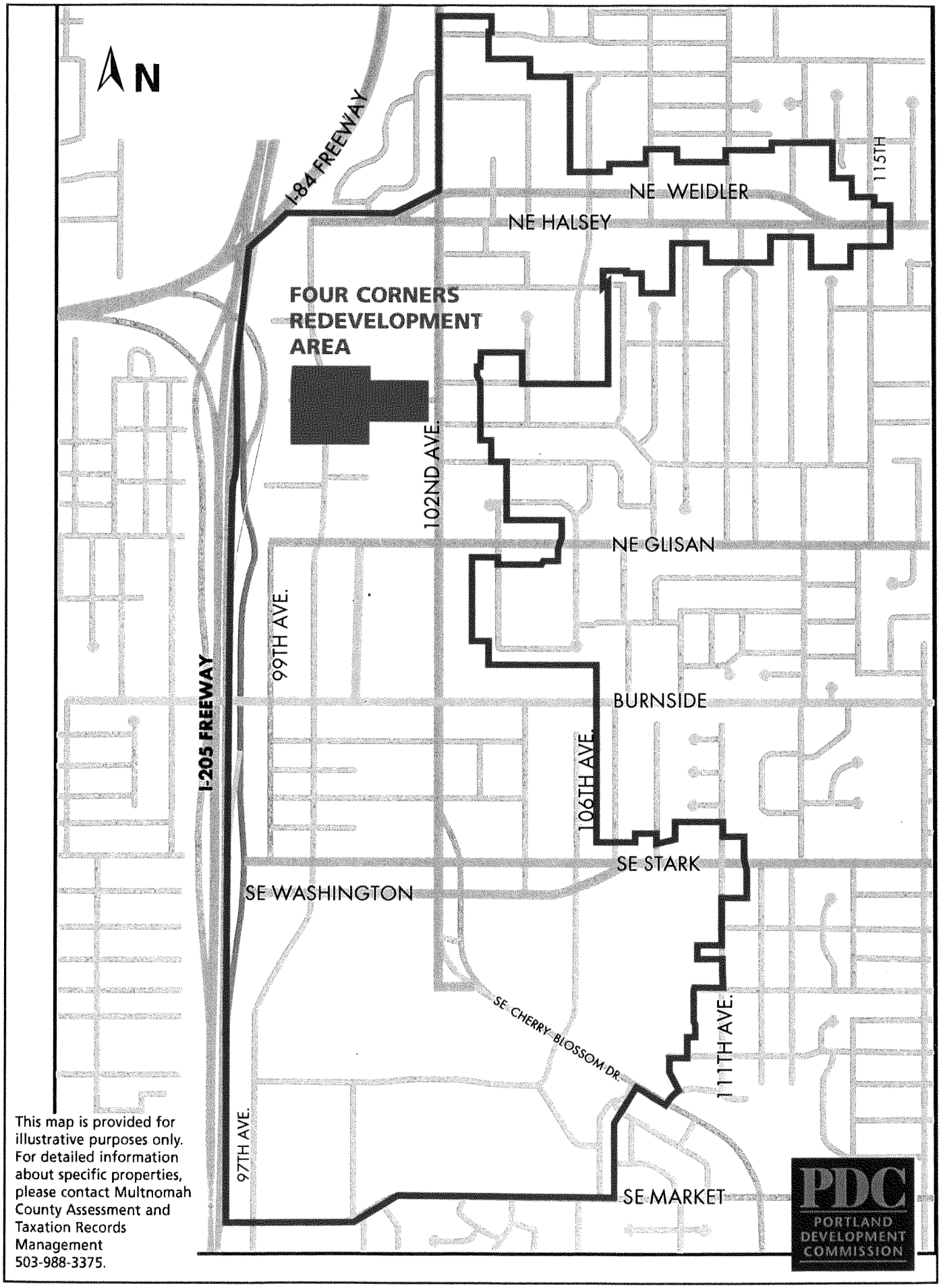
2000-01
2001-02
2002-03
2003-04
Tax Year

Gateway Regional Center



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Gateway Regional Center

Date formed: 2001
Expiration date: June 2022

	2000-01	2001-02	2002-03
AV growth in URA	NA	NA	11.7%
Average AV growth citywide	5.6%	4.4%	2.4%

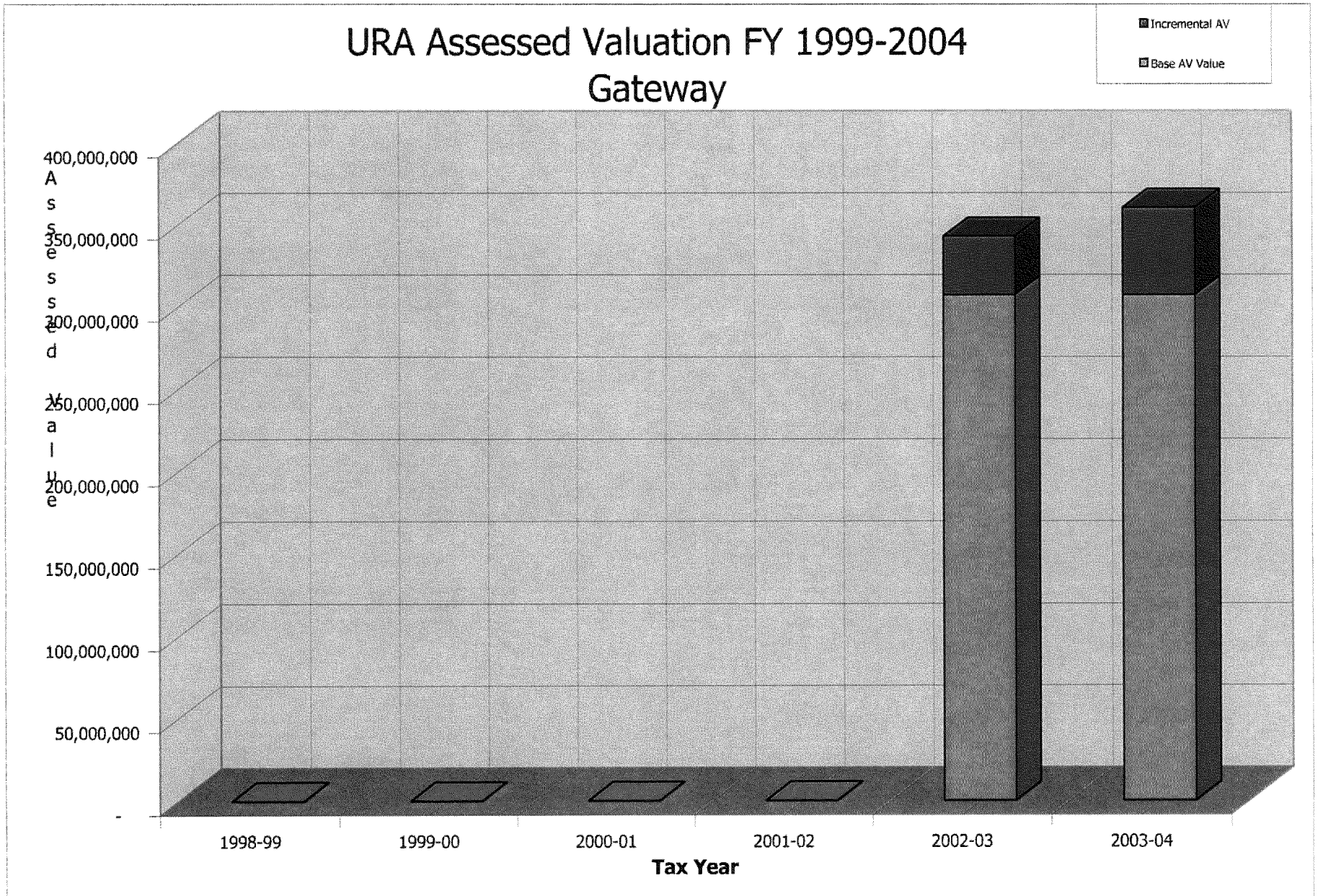
Objective: To transform the Gateway district into a regional center with enhanced housing, employment, recreational, and cultural opportunities for east Portlanders. To begin implementing projects that embody the concepts and principles established by the Opportunity Gateway Concept Plan and Redevelopment Strategy. These would include the creation of public spaces, transportation and pedestrian improvements, and projects that enhance Gateway's viability as a livable center of activity. To encourage public and private investment that is consistent with the values and aspirations of the Gateway community.

Recent Successes/Accomplishments:

- Award of two MTIP grants:
  $800,000 for acquisition of one acre of the Gateway Transit Center's Park and Ride lot from TriMet.
  $700,000 for preliminary engineering of a boulevard design for 102nd Avenue.
- Children's Receiving Center completed in December 2002 with PDC financial participation.

Key Current Project/Challenge:

Four Corners Redevelopment. This project will redevelop the existing surface park-and-ride lot at the Gateway Transit Center and catalyze development around it. The initial phase includes the development of a replacement parking facility by TriMet on another site and the development of one acre of the existing surface lot. Still in the planning phases, Gateway Station is envisioned to be a 13-acre mixed use, sustainable development project south of NE Pacific Street between 102nd Avenue and the I-205 freeway, adjacent to the Gateway Transit Center. Developers hope to access resources from the Portland Family of Funds. The project could produce approximately 250,000 square feet of office, 100,000 square feet of retail, and up to 800 housing units.


URA Assessed Valuation FY 1999-2004
Gateway
Incremental AV
Base AV Value
400,000,000
350,000,000
300,000,000
250,000,000
200,000,000
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1998-99
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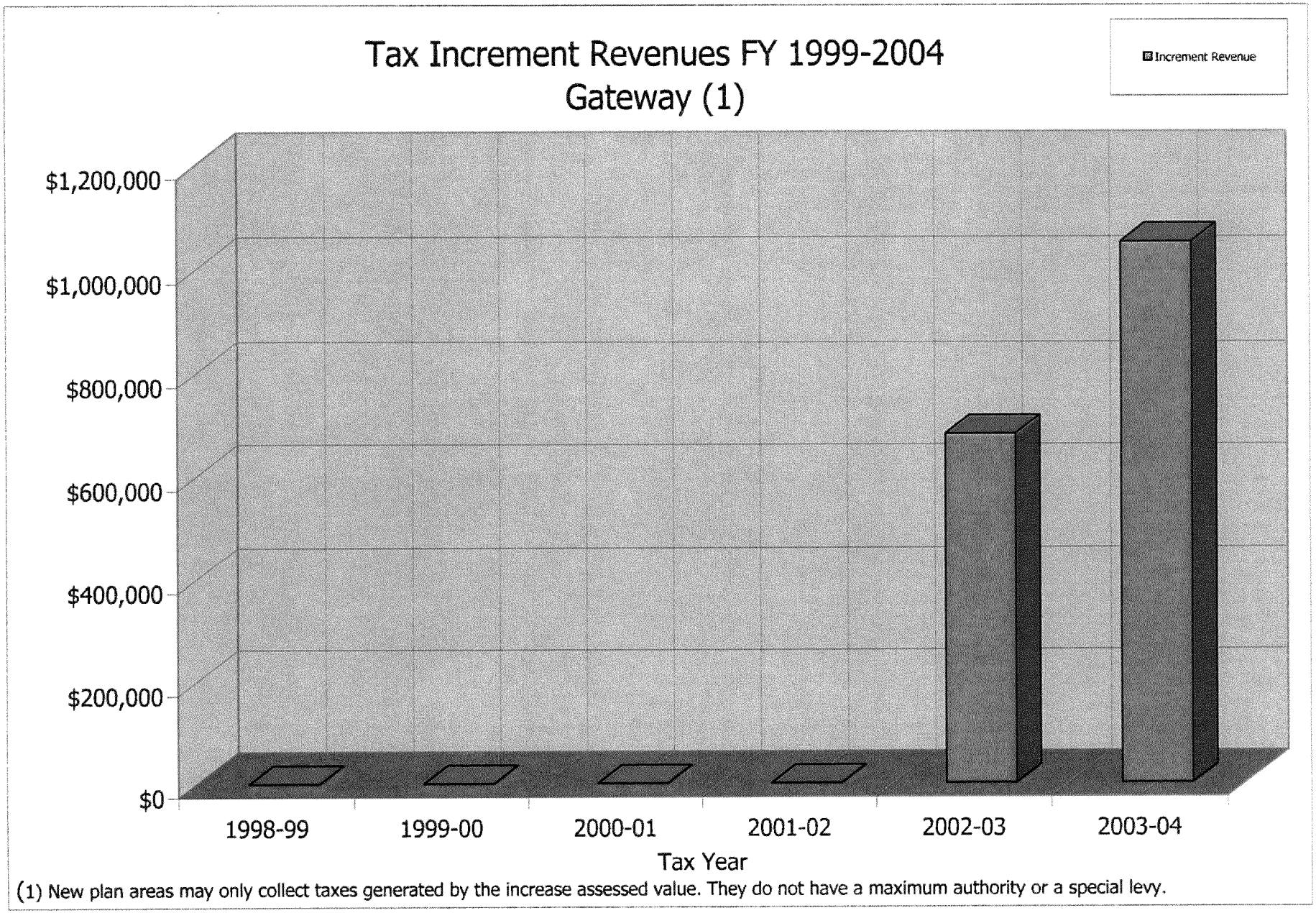
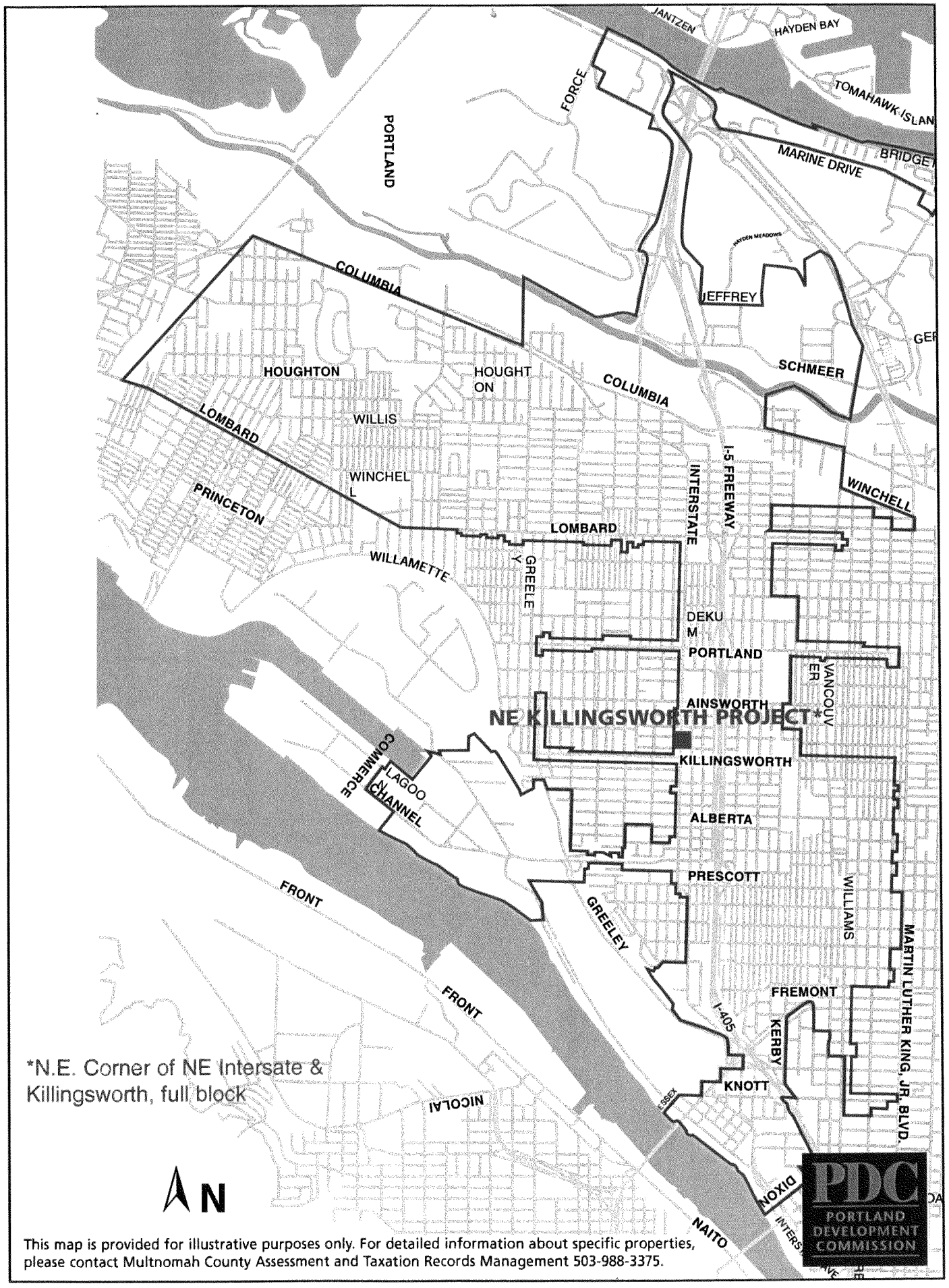
2002-03
2003-04
Tax Year



(1) New plan areas may only collect taxes generated by the increase assessed value. They do not have a maximum authority or a special levy.

Interstate Corridor Urban Renewal Area



This map is provided for illustrative purposes only. For detailed information about specific properties, please contact Multnomah County Assessment and Taxation Records Management 503-988-3375.

Interstate Corridor

Date formed: 2000
Expiration date: June 2021

	2000-01	2001-02	2002-03
AV growth in URA	NA	5.7%	4.3%
Average AV growth citywide	5.6%	4.4%	2.4%

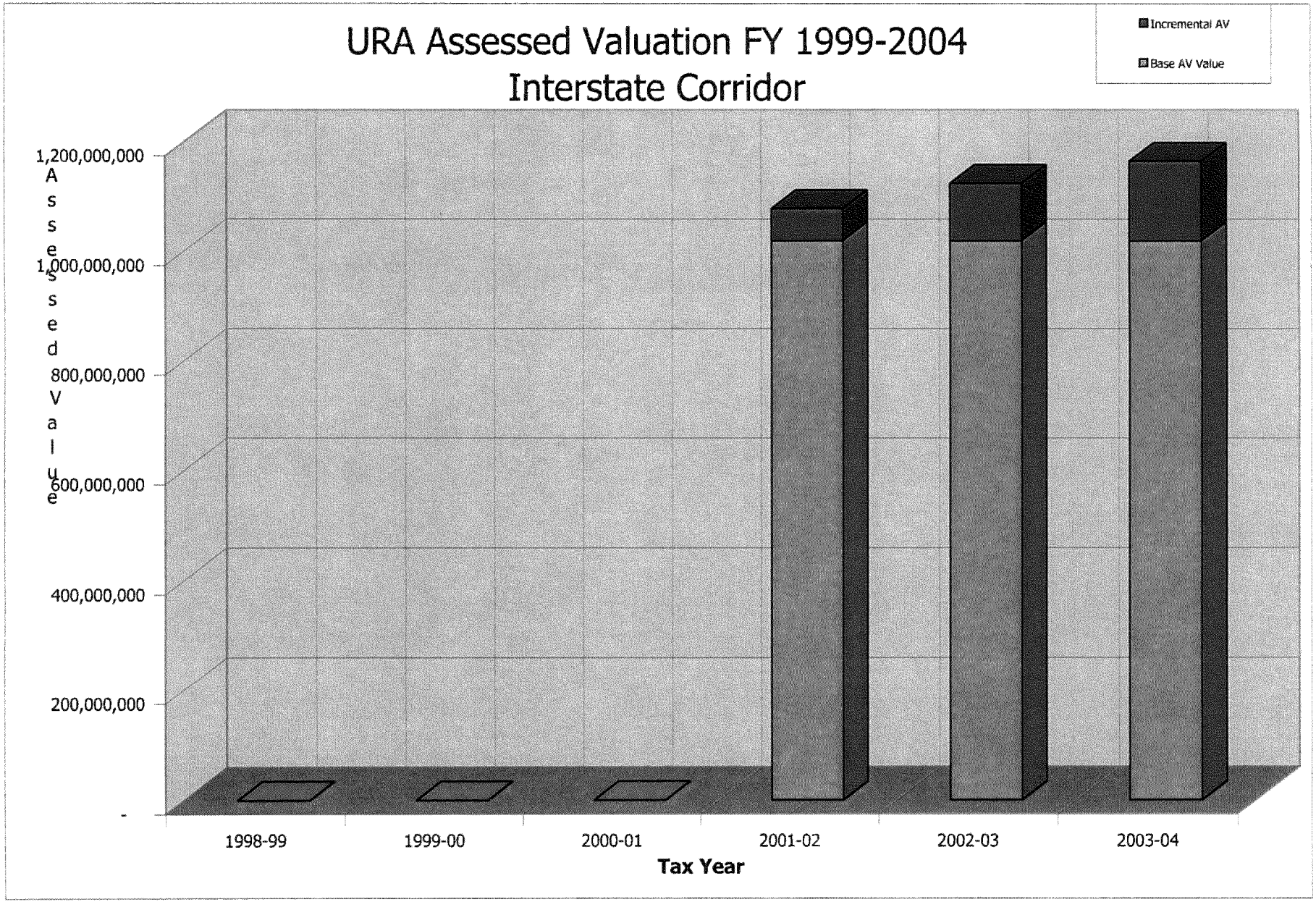
Objective: To assist in the revitalization of the Interstate Corridor in a manner that primarily benefits existing area residents and businesses. PDC intends to accomplish this objective by investing in community supported projects and programs that enhance the corridor and create community wealth. This encompasses such strategies as the construction/preservation of a wide array of housing options, new family-wage jobs, and the infrastructure investments that support these efforts, including the new Interstate MAX line.

Recent Successes/Accomplishments:

- Interstate MAX – on budget and ahead of schedule. PDC financed $35M of the local match.
- Interstate Small Business Assistance – PDC has partnered with TriMet in assisting businesses along Interstate survive light rail construction, and be poised to take advantage of new opportunities that may arise when MAX is completed in 2004. These efforts (which include favorable term loans and technical assistance) have resulted in a minimal number of business closures along the street (fewer than 5, out of approximately 100 businesses).
- PDC helped approximately 70 families who currently rent in Interstate get into first time home ownership opportunities, taking advantage of State funds which PDC helped to secure.

Key Current Project/Challenge

Killingsworth Station Area Development Opportunity. The northeast corner of Interstate and Killingsworth is a prime candidate for a Transit Area Development (TOD) project. PDC is completing acquisition of the block, and has commenced pre-development activity (including pre-development activity for a full block mixed use project). PDC hopes to issue an RFP in Spring, 2003. This should be a catalytic project that further stimulates redevelopment in the Killingsworth/Interstate area.


URA Assessed Valuation FY 1999-2004
Interstate Corridor
Incremental AV
Base AV Value
Assessed Value
1,200,000,000
1,000,000,000
800,000,000
600,000,000
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200,000,000
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1998-99
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2000-01
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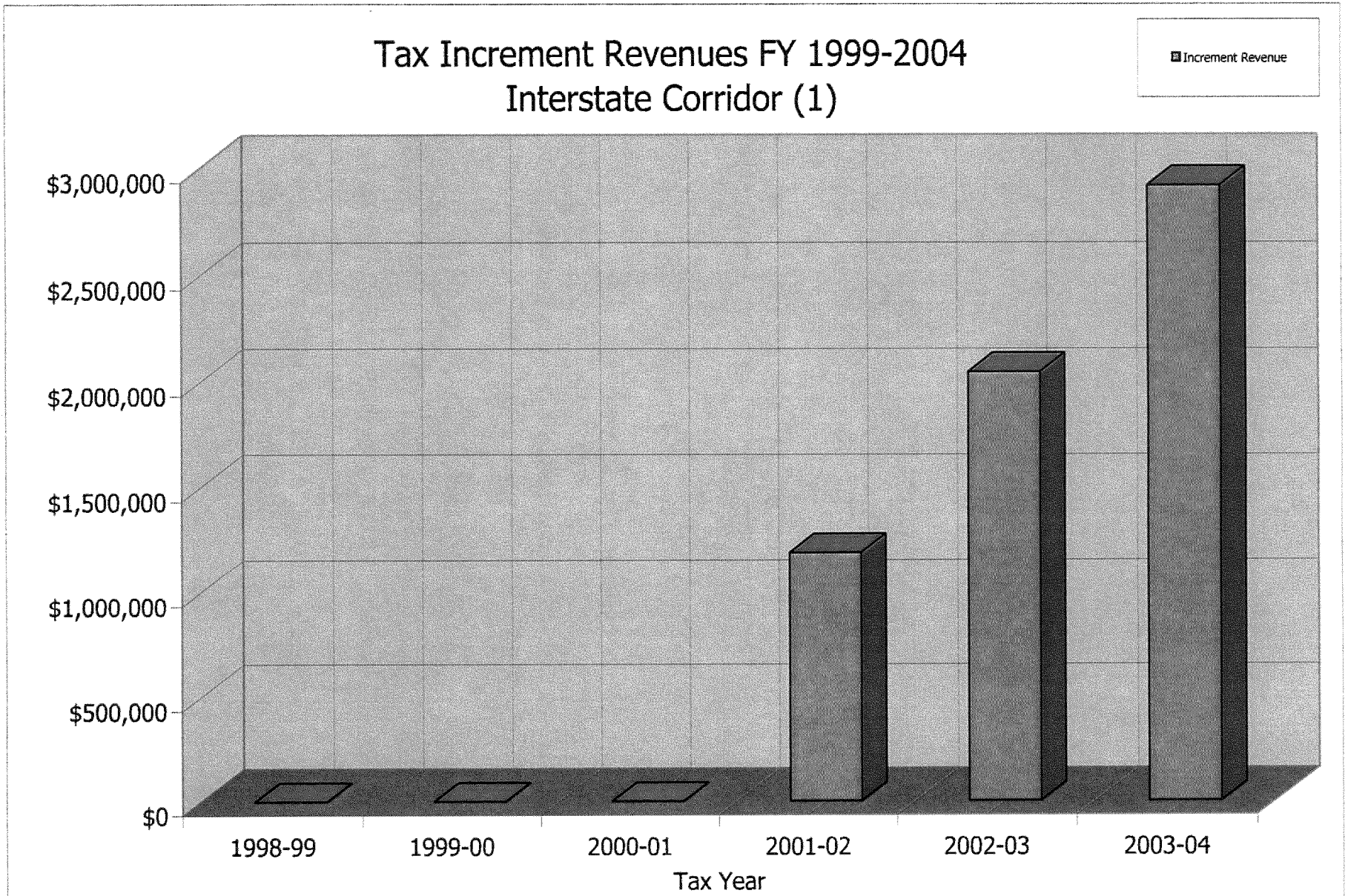
2002-03
2003-04
Tax Year



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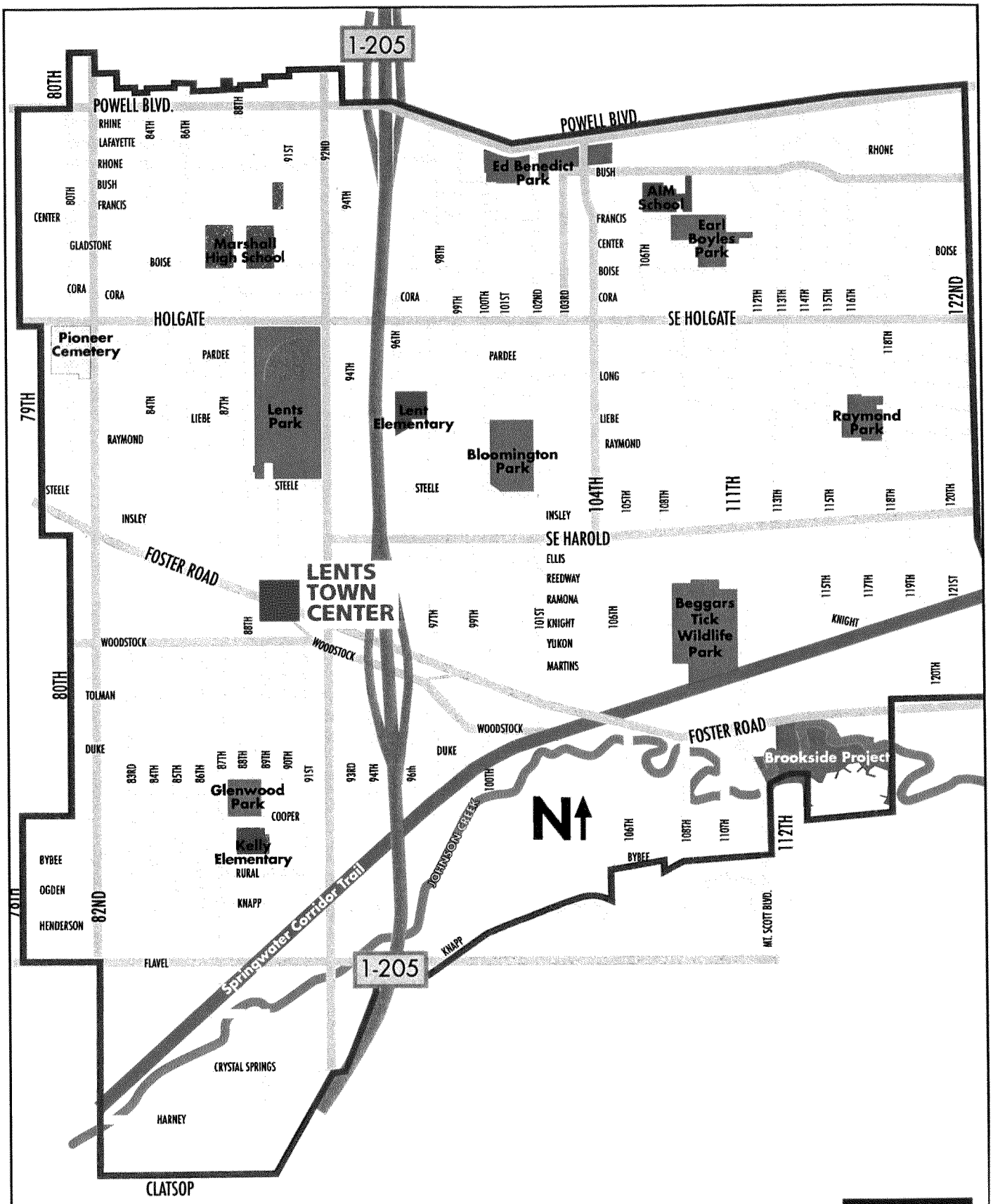
Lents Urban Renewal Area



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PDC
PORTLAND DEVELOPMENT COMMISSION

Lents Town Center

Date formed: 1998
Expiration date: October 2015

	2000-01	2001-02	2002-03
AV growth in URA	7.1%	3.9%	4.6%
Average AV growth citywide	5.6%	4.4%	2.4%

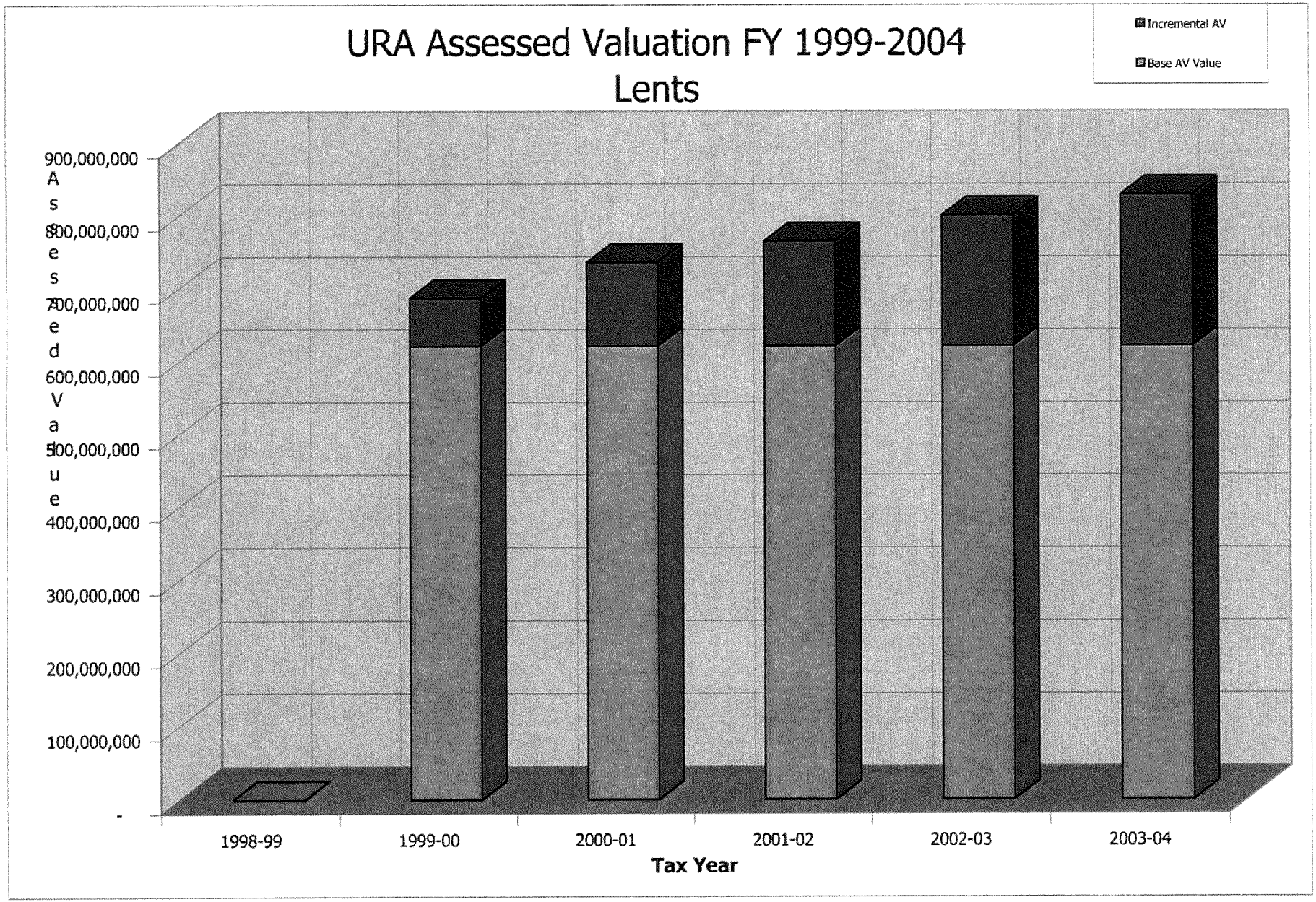
Objective: Assist in the implementation of community-based plans that will facilitate the emergence of Lents as a key town center within the region. Provide support to the revitalization of commercial and residential areas in and near the existing Lents neighborhood. Stimulate business development and investment in the area. Provide increased opportunities for residents to compete for new quality jobs.

Recent Successes/Accomplishments:

- Phase II of the Lents Street Paving project was completed this year bringing new streets, sidewalks and street trees to the neighborhood.
- PDC provided the final funding component for the Memory Garden in Ed Benedict Park.
- Design work is under way to add lighting to Lents Park, which has been identified as a high priority in the community.
- PDC sponsored a small business workshop in downtown Lents which provided advice (financial, marketing, etc.) to Lents and Gateway business owners.

Key Current Project/Challenge:

Lents Town Center. This project originally proposed a mixed use development including retail, apartments, and townhomes. At this time, the ROSE CDC housing project is currently moving ahead. Staff, the Lents neighborhood, business representatives, and City bureaus are presently undertaking a new Lents Revitalization Strategy to develop a plan to bring commercial development and jobs back to the Lents Downtown area. As part of this effort, PDC is in preliminary discussions with developers regarding the commercial component of the Lents Town Center project. For substantive new commercial development to occur here, PDC will need to acquire additional property (several "out parcels"), which will be difficult to achieve without the power of eminent domain. This is a very volatile issue in the community, but if it can be addressed, there is considerable potential to realize a more vibrant mixed use economy in Lents.


URA Assessed Valuation FY 1999-2004
Lents
Incremental AV
Base AV Value
900,000,000
800,000,000
700,000,000
600,000,000
500,000,000
400,000,000
300,000,000
200,000,000
100,000,000
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Assessed Value
1998-99
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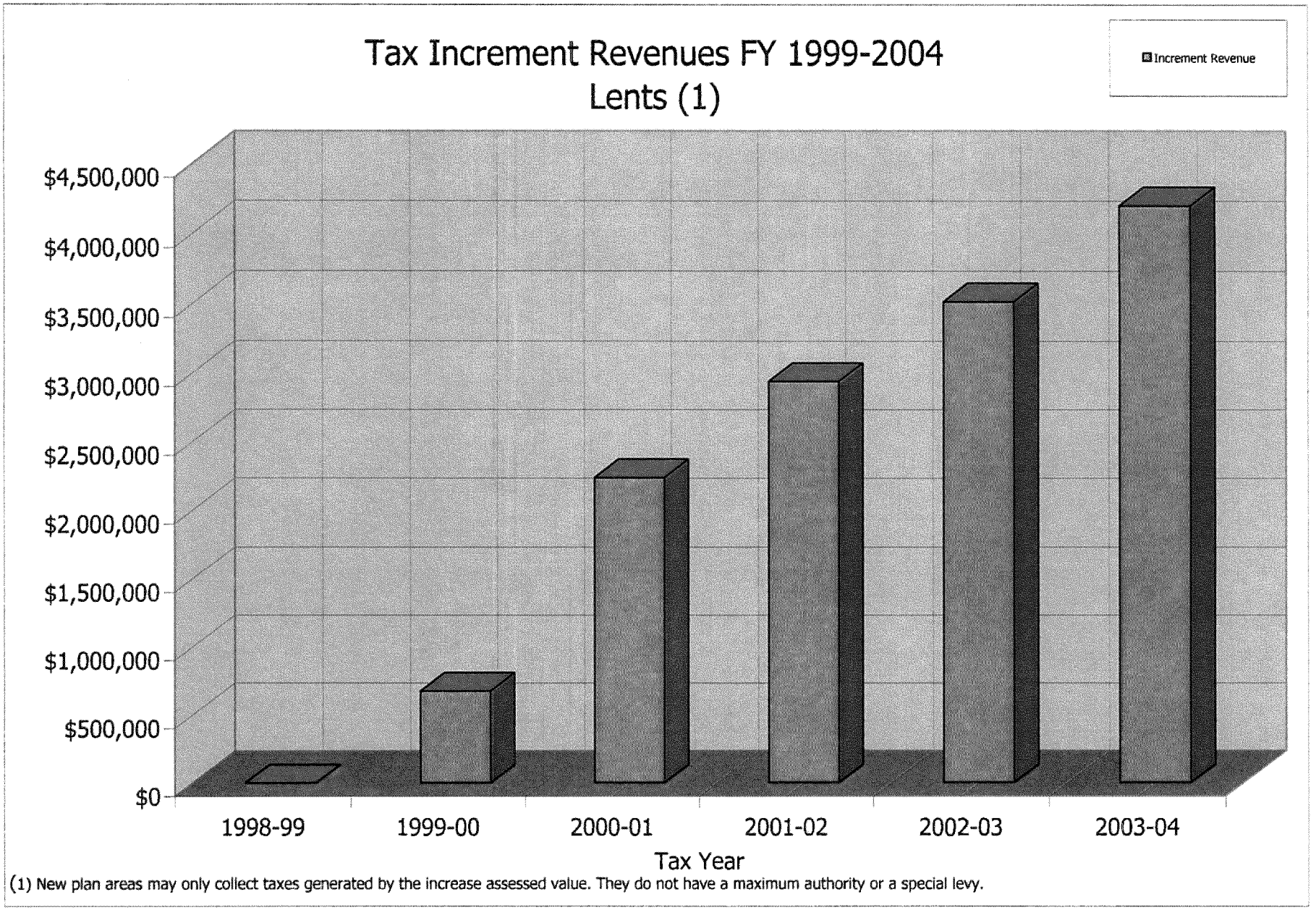
2000-01
2001-02
2002-03
2003-04
Tax Year



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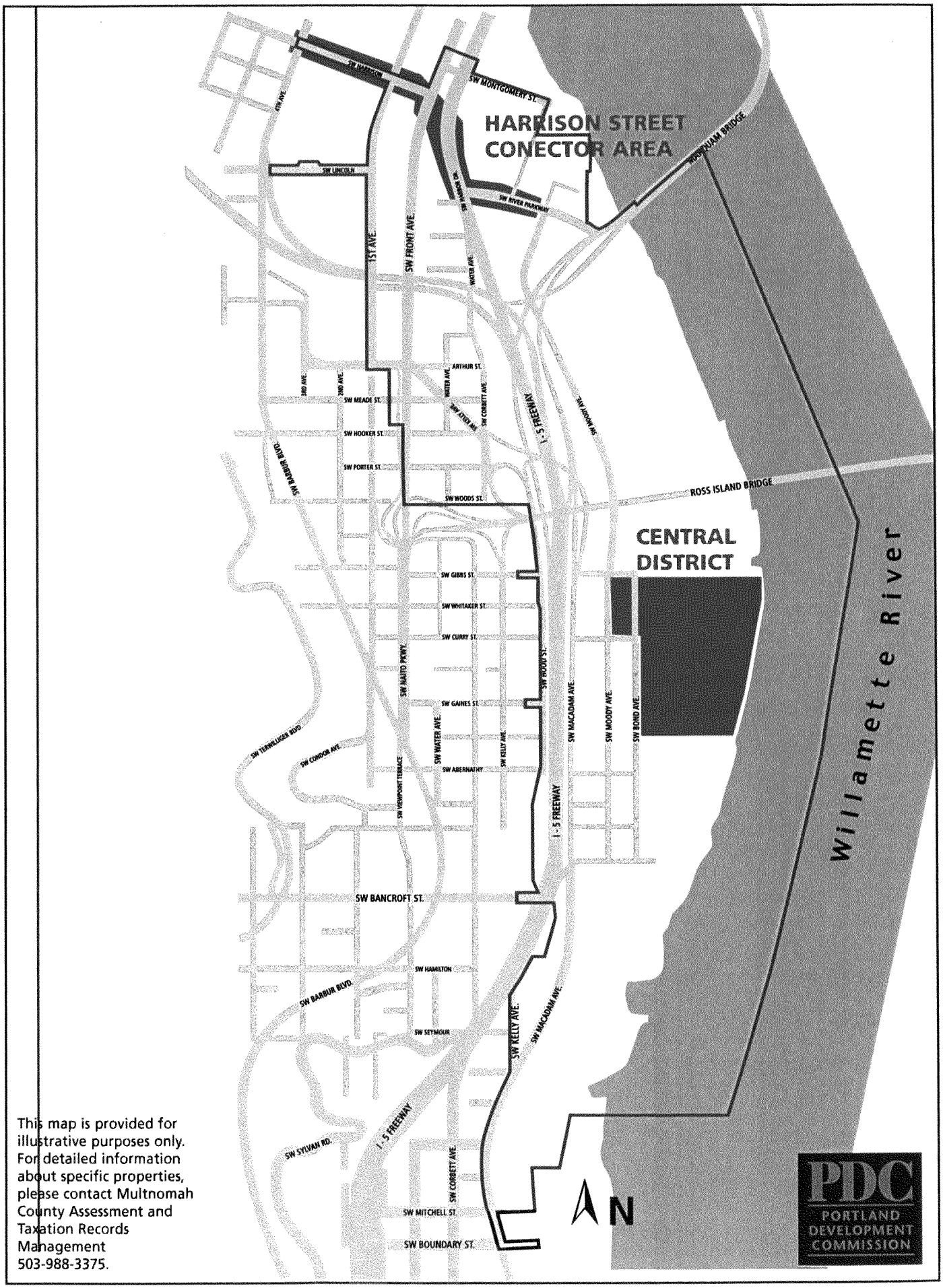
North Macadam Urban Renewal Area



This map is provided for illustrative purposes only. For detailed information about specific properties, please contact Multnomah County Assessment and Taxation Records Management 503-988-3375.

North Macadam

Date formed: 1999
Expiration date: June 2020

	2000-01	2001-02	2002-03
AV growth in URA	3.3%	5.3%	24.0%
Average AV growth citywide	5.6%	4.4%	2.4%

Objective: To pursue significant commercial and housing development in a former industrial area by redeveloping the district into a vibrant mixed use central city neighborhood, with a spectacular greenway and open space. To improve transportation infrastructure and accessibility for future development, including enhanced public amenities and uses. Provide a location for Oregon Health & Science University expansion, as part of their Central Campus Plan, as well as promote growth of bioscience research and business development.

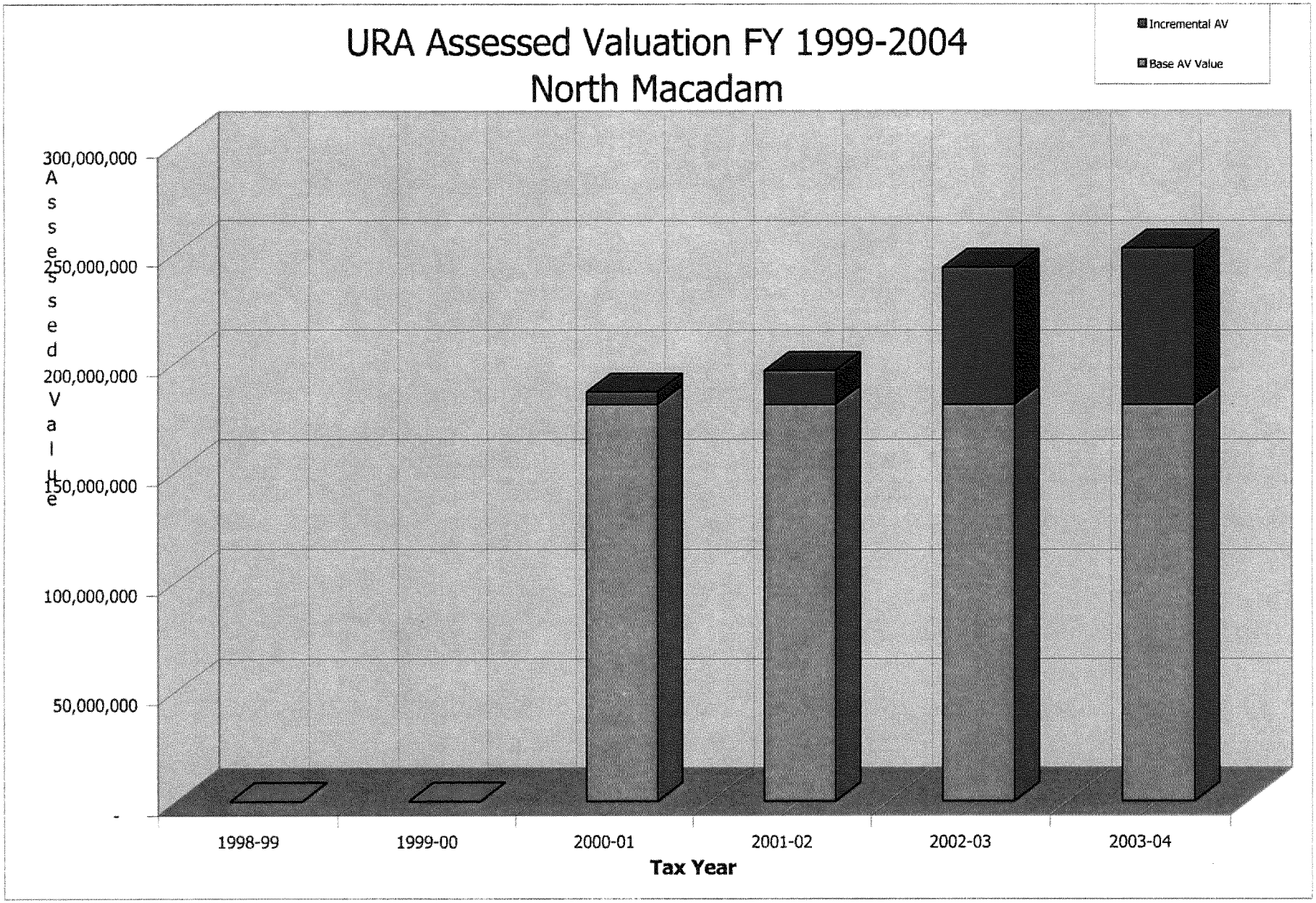
Recent Successes/Accomplishments:

- The South Waterfront Plan, Code and Design Guidelines, known formerly as the North Macadam Plan, were approved by City Council in November 2002 and will be in effect January 2003.
- DDA has been signed with Williams and Dame for 150 unit condominium in RiverPlace.
- Received two grants totaling $245,000 for brownfields related work in North Macadam.

Key Current Projects/Challenges:

Central District Development. The District is ready to launch the first major redevelopment effort led by Oregon Health Sciences University (OHSU) and River Campus Investors (RCI). PDC staff is working with OHSU/RCI on a 28+ acre project to "jump start" redevelopment in this largely vacant district and transform it into a biosciences research center. This monumental project is expected to catalyze and transform the former industrial area into a new urban neighborhood. Development of the Central District will include 1.5 – 2.0 million square feet of institutional, research, and community space, 2,000 housing units, retail, and a hotel. The opportunity to develop a new neighborhood from "scratch" enables a range of creative design solutions - with a focus on high quality urban design, vibrant pedestrian environments, and sustainable development practices. The Central District will generate $1.3 billion of investment by OHSU and RCI and approximately $95 million dollars of tax increment revenues during the life of the urban renewal area. It will also enable OHSU, the City's largest employer, to remain a driving force in the local economy by creating a new Central City Campus which connects the Marquam Hill and North Macadam facilities into a single, integrated institution. A key hurdle for the effort has been raising sufficient infrastructure dollars to enable the private and institutional development. Negotiations between PDC (informed by advisors from several City bureaus such as Planning, Finance, Transportation, and Parks), RCI, and OHSU have been encouraging. Anticipate briefing City and PDC Commissioners within the next two weeks.

Harrison Street Connector Project. Final engineering for the Harrison Street Connector project is underway. The Connector will provide a vital transportation link between South Auditorium and RiverPlace. It will provide for vehicular access as well as the extension of Streetcar from Portland State University to RiverPlace. Within the next five years, an additional Streetcar extension is planned from RiverPlace to Gibbs Street in the North Macadam area, with long-term plans to extend to Lake Oswego.


URA Assessed Valuation FY 1999-2004
North Macadam
Incremental AV
Base AV Value
Assessed Value
300,000,000
250,000,000
200,000,000
150,000,000
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50,000,000
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1998-99
1999-00
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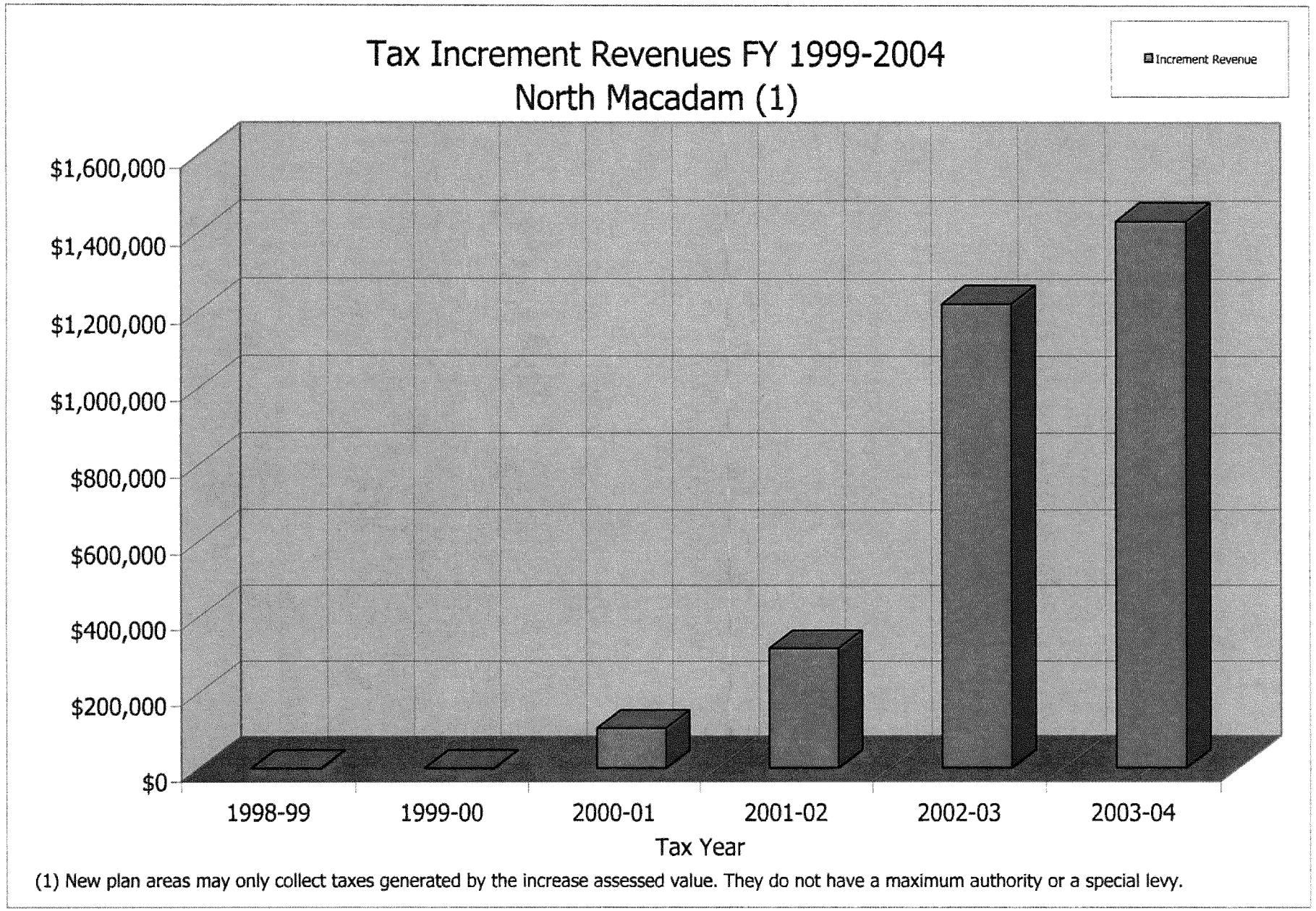
2002-03
2003-04
Tax Year



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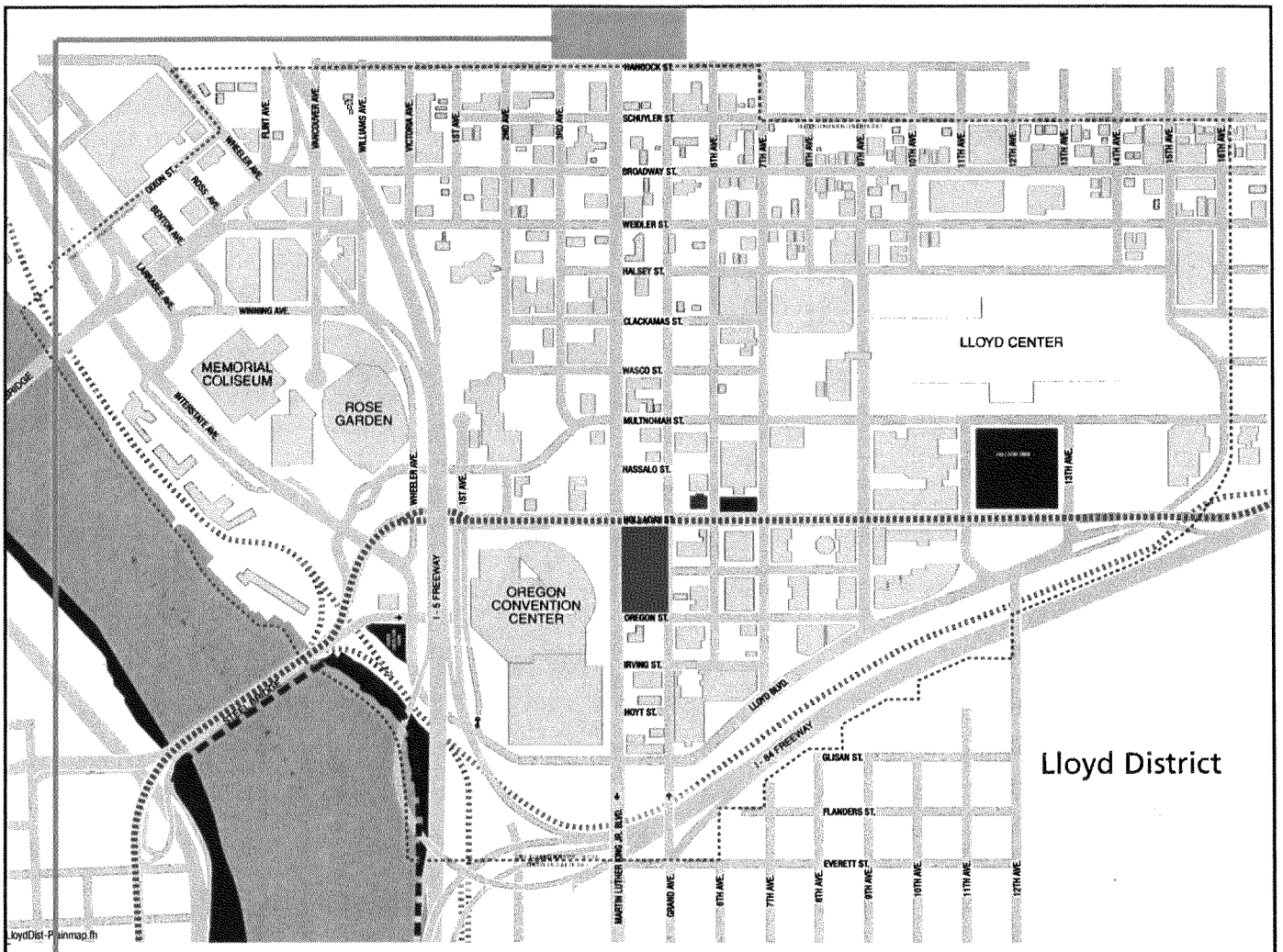
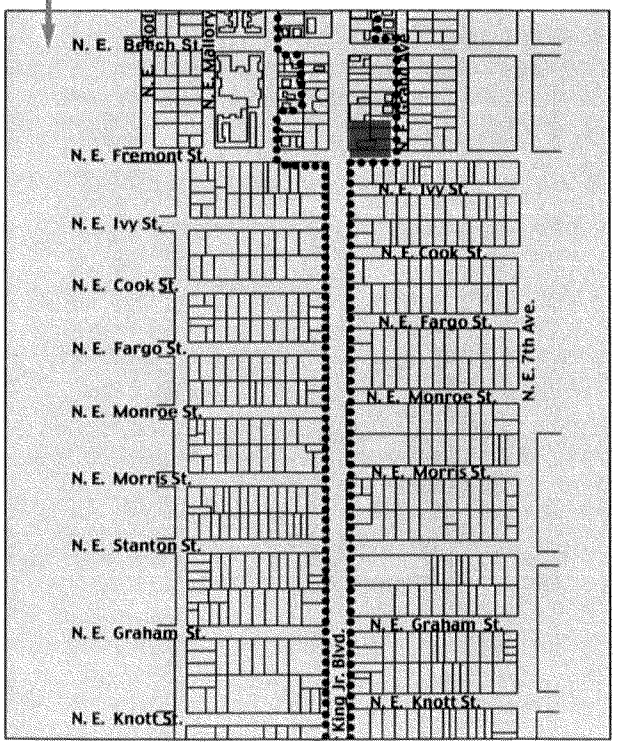
Oregon Conv. Center Urban Renewal Area



Lloyd District

HEADQUARTERS HOTEL, above
KING MART SITE, Inset below
(King Mart is located north of the Lloyd Dist. on MLK and Fremont)



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PDC
PORTLAND DEVELOPMENT COMMISSION

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Oregon Convention Center

Date formed: 1989
Expiration date: June 2013

	2000-01	2001-02	2002-03
AV growth in URA	11.0%	3.8%	4.1%
Average AV growth citywide	5.6%	4.4%	2.4%

Objective: To build employment, support the convention and tourism industry, create housing opportunities, capitalize on major public and private investments, and make transportation related improvements to develop the area as a key part of the central city. To help the Northeast community achieve its vision as defined by the Albina Community Plan and associated neighborhood plans by supporting private activities that promote commercial revitalization, increase community wealth through local ownership and employment, create affordable homeownership and rental housing, and improve the streetscape.

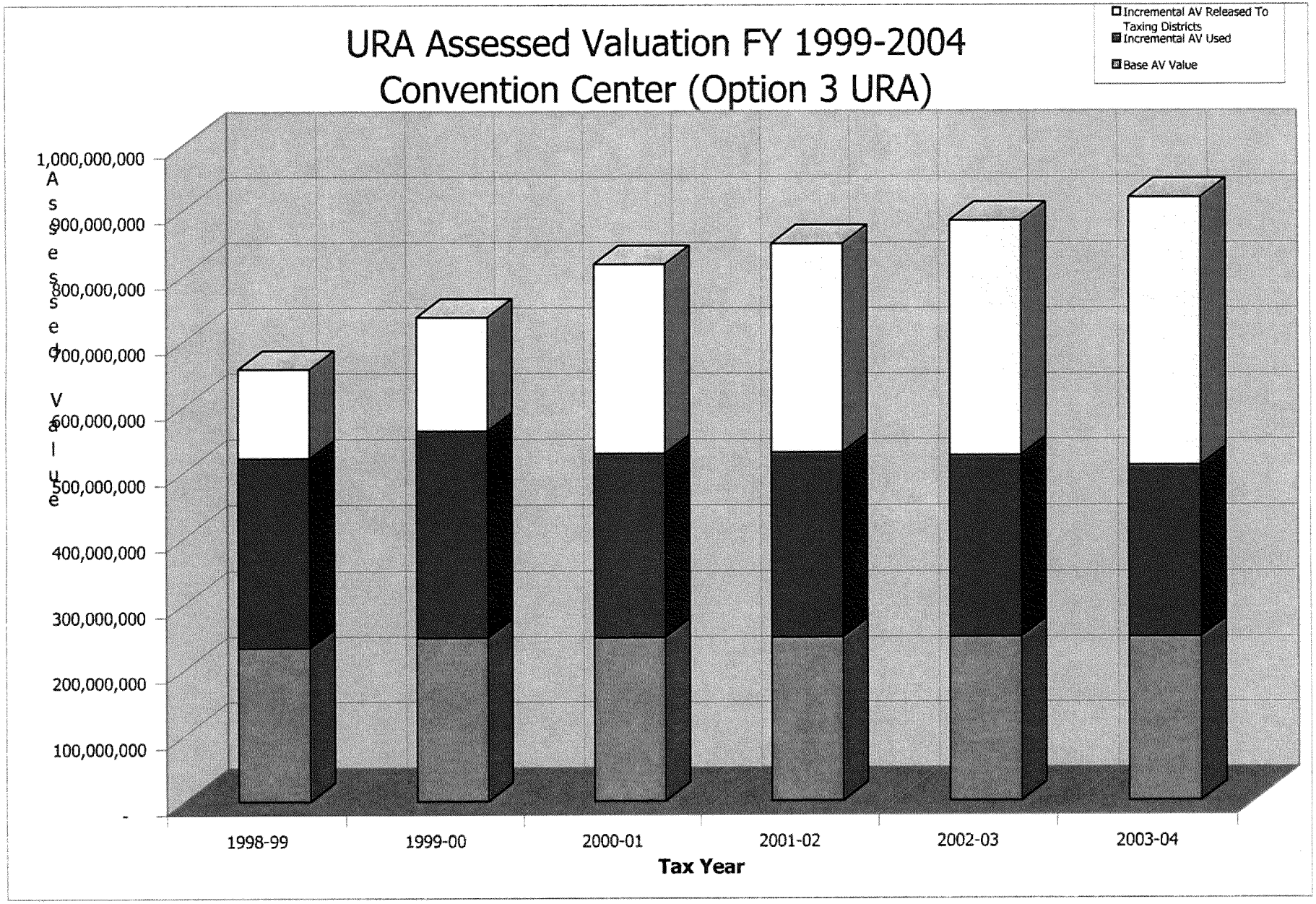
Recent Successes/Accomplishments:

- Key parcels acquired for a potential Convention Center Hotel (Sizzler Block in 2001 and the Inn at the Convention Center in 2002).
- A $5 million investment was made towards the expansion of the Oregon Convention Center and that project is expected to be completed in April 2003.
- PDC has recently completed an overall Area Development Strategy for the Lloyd District (2000) and a Housing Strategy (2002) to guide future development.
- Significant Streetscape improvements have been completed, particularly in the Broadway/Weidler Corridor, with Commission assistance.
- The Eastbank Esplanade was completed through the Lloyd District in 2001 with key PDC project leadership and significant financial assistance.
- In Northeast, the Commission funded key improvements to MLK Jr. BLvd. and Alberta St. in conjunction with PDOT.
- PDC Staff also completed the MLK/Fremont Vision Plan (2001), carried out major RFP selection processes at Vanport Square and the King Food Mart site and completed property acquisitions at key commercial and development opportunity sites.
- DDA's are currently being negotiated for redevelopment and job creation projects around the Piedmont Place project, 6360 NE MLK Jr. Blvd (the former Martinson Foods bakery site), and at 3934 NE MLK Jr. Blvd. (the former Weimer Warehouse).

Key Current Projects/Challenges:

Headquarters Hotel.
A market analysis and feasibility study is underway which indicates demand for a Headquarters Hotel in Portland – specific recommendations will likely include 500 - 600 new rooms and 200 – 300 upgraded rooms near the Oregon Convention Center – and a public financing vehicle to carry out the project. Area hoteliers have expressed some support for the concept with conditions. The full study, including programming, financing, and timing recommendations, is expected to be completed in February 2003. ZGF Architects is currently preparing conceptual design studies for hotel development on PDC-owned property. Anticipate issuing an RFP for a hotel developer by March 2003.

Former King Mart site. A local development team was selected in Fall 2002 through a community-led RFP process incorporating the goals of the *Fremont/MLK Vision Study* (2001) for the key Albina Community Plan intersection of NE Fremont Street and MLK Jr. Blvd. Negotiations and design work are now underway for this catalytic commercial development. King Mart had devolved into a blighted area with criminal problems ranging from Liquor Control Board violations to alleged drug dealing.


URA Assessed Valuation FY 1999-2004
Convention Center (Option 3 URA)
Incremental AV Released To Taxing Districts
Incremental AV Used
Base AV Value
Assessed Value
1,000,000,000
900,000,000
800,000,000
700,000,000
600,000,000
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400,000,000
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1998-99
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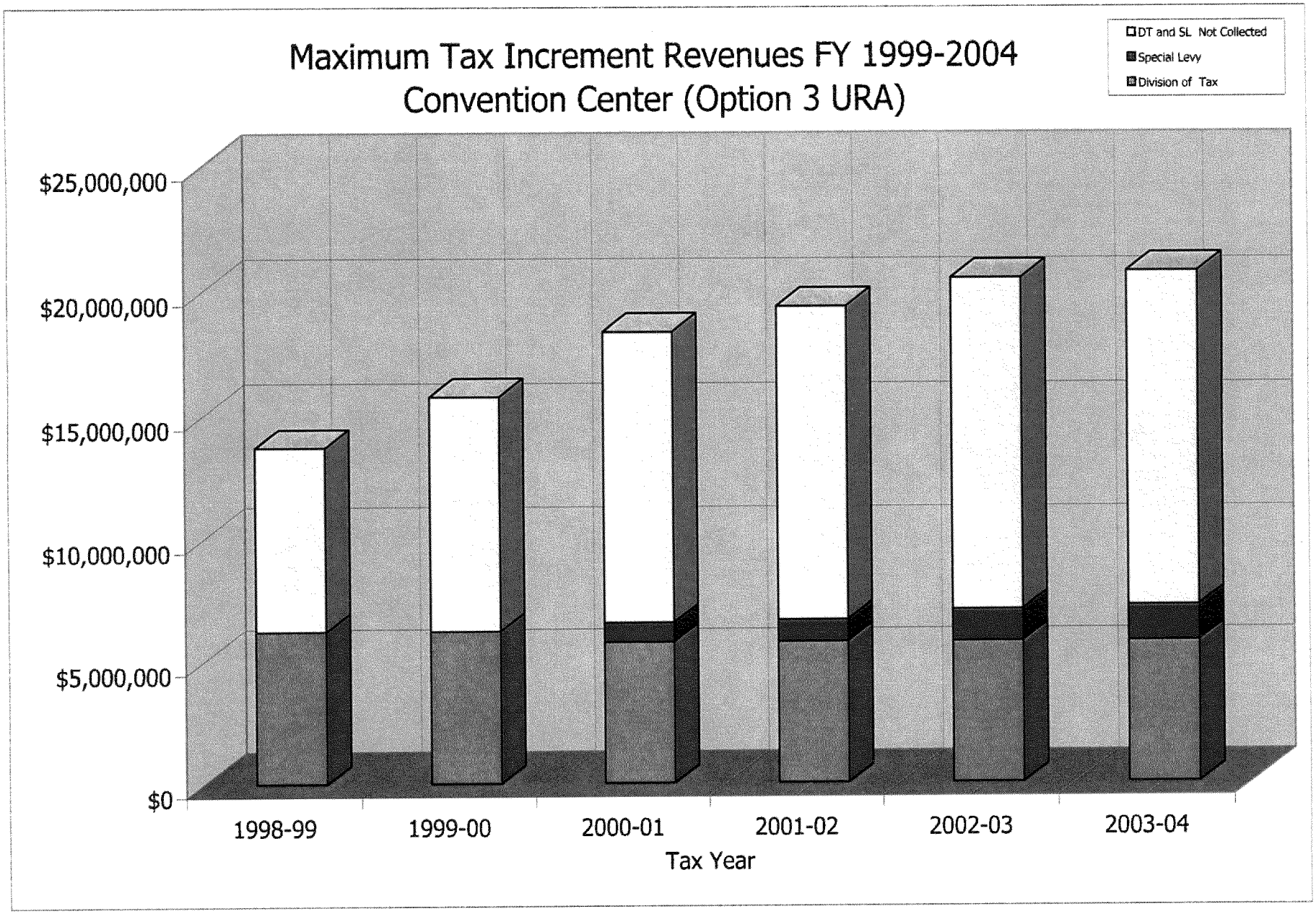
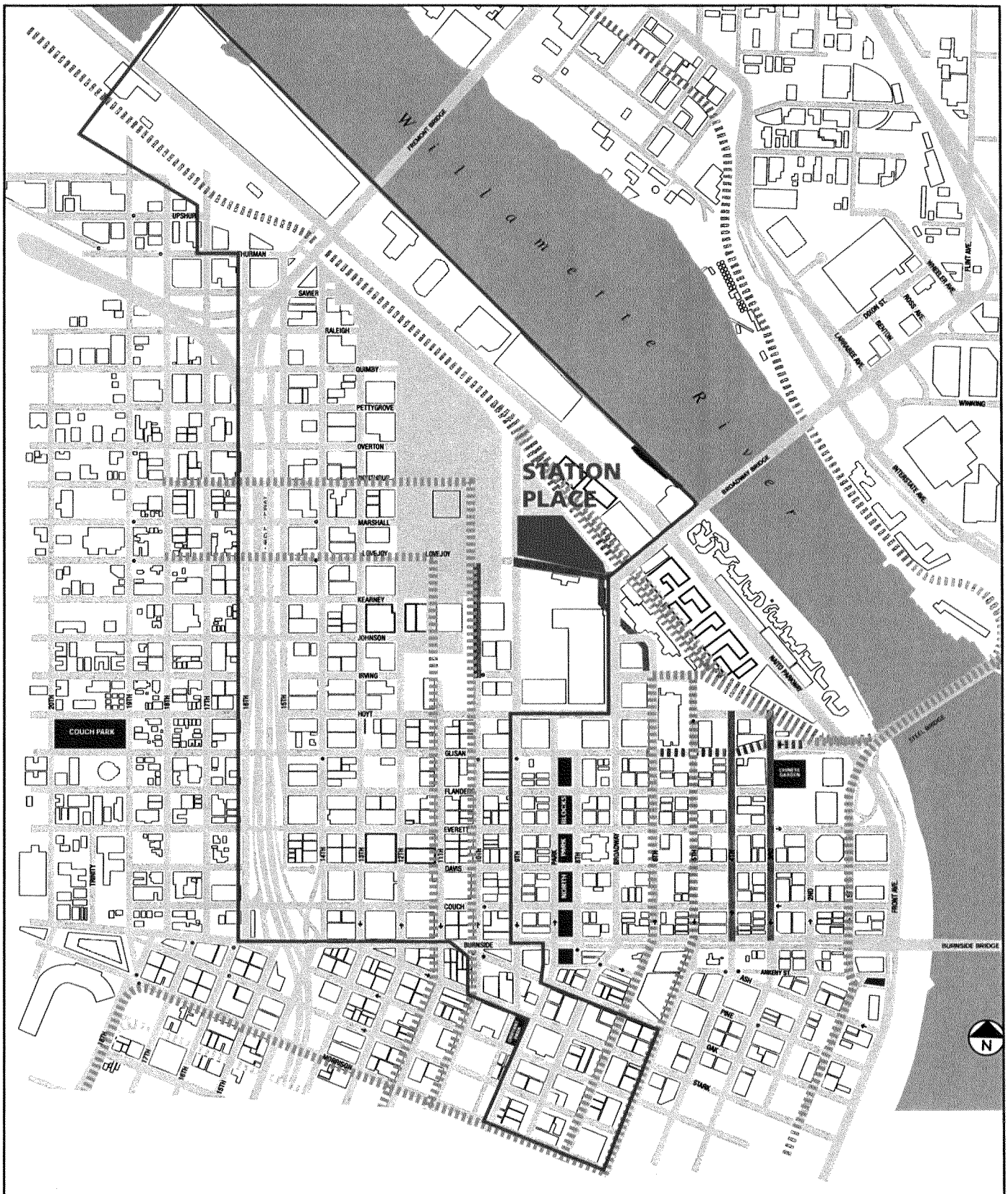
2001-02
2002-03
2003-04
Tax Year


Maximum Tax Increment Revenues FY 1999-2004
Convention Center (Option 3 URA)
DT and SL Not Collected
Special Levy
Division of Tax
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$0
1998-99
1999-00
2000-01
2001-02
2002-03
2003-04
Tax Year

River District Urban Renewal Area



This map is provided for illustrative purposes only. For detailed information about specific properties, please contact Multnomah County Assessment and Taxation Records Management 503-988-3375.

River District

Date formed: 1998
Expiration date: October 2020

	2000-01	2001-02	2002-03
AV growth in URA	38.3%	23.6%	7.3%
Average AV growth citywide	5.6%	4.4%	2.4%

Objective: To generate new private investment and an improved tax base on vacant and underutilized land by developing a wide range of new housing units, new commercial opportunities, and open spaces that are oriented toward the Willamette River. To help foster a "24-hour city" environment for residents, visitors, and employees.

Recent Successes/Accomplishments:

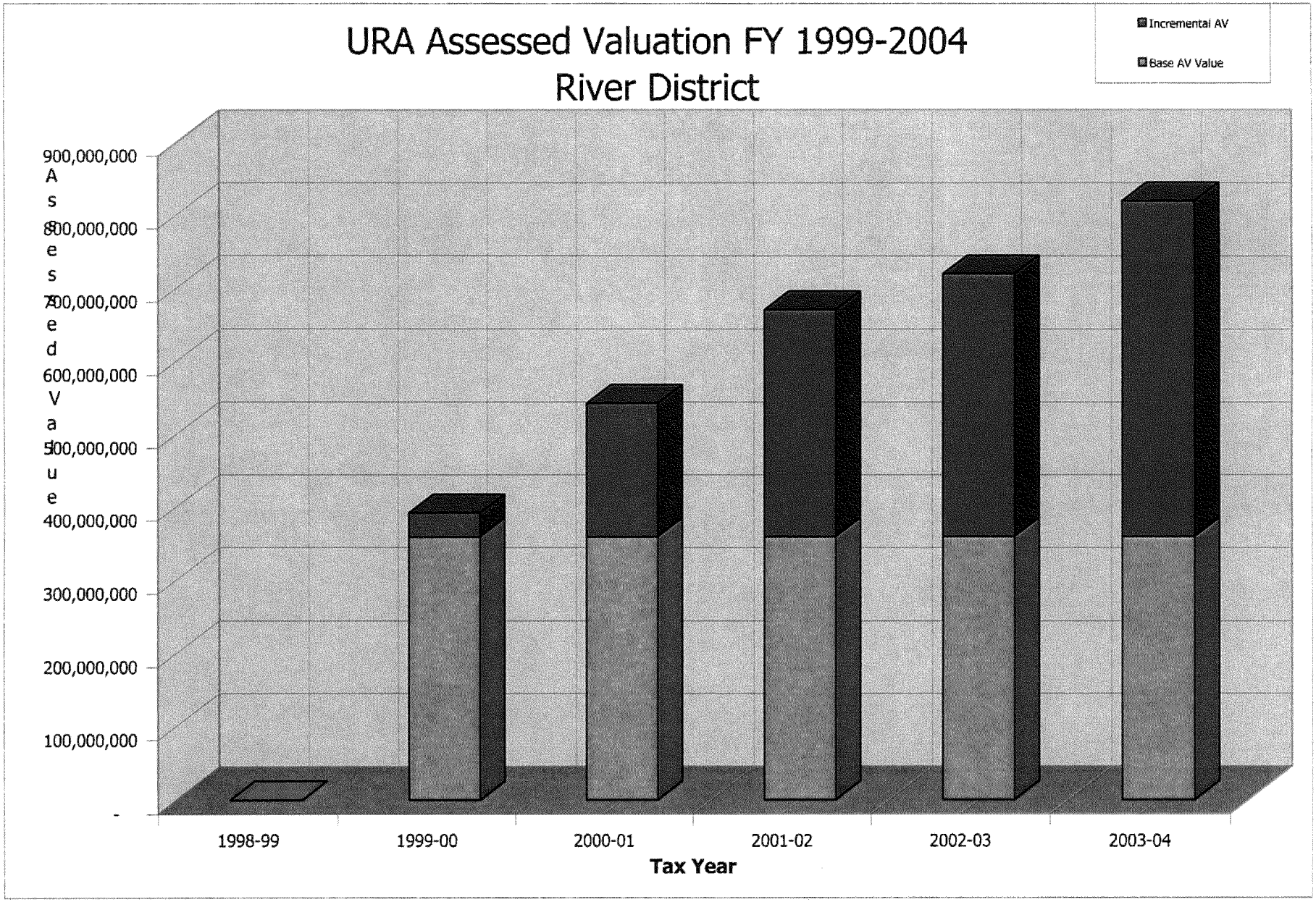
- Jamison Square (the first of three planned parks along 10th Avenue).
- Several new mixed-income ownership and rental housing projects including the Marshall Wells Condominiums, Streetcar Lofts, Lovejoy Station.
- Brewery Blocks (1.7 million square foot $250 million mixed use development).

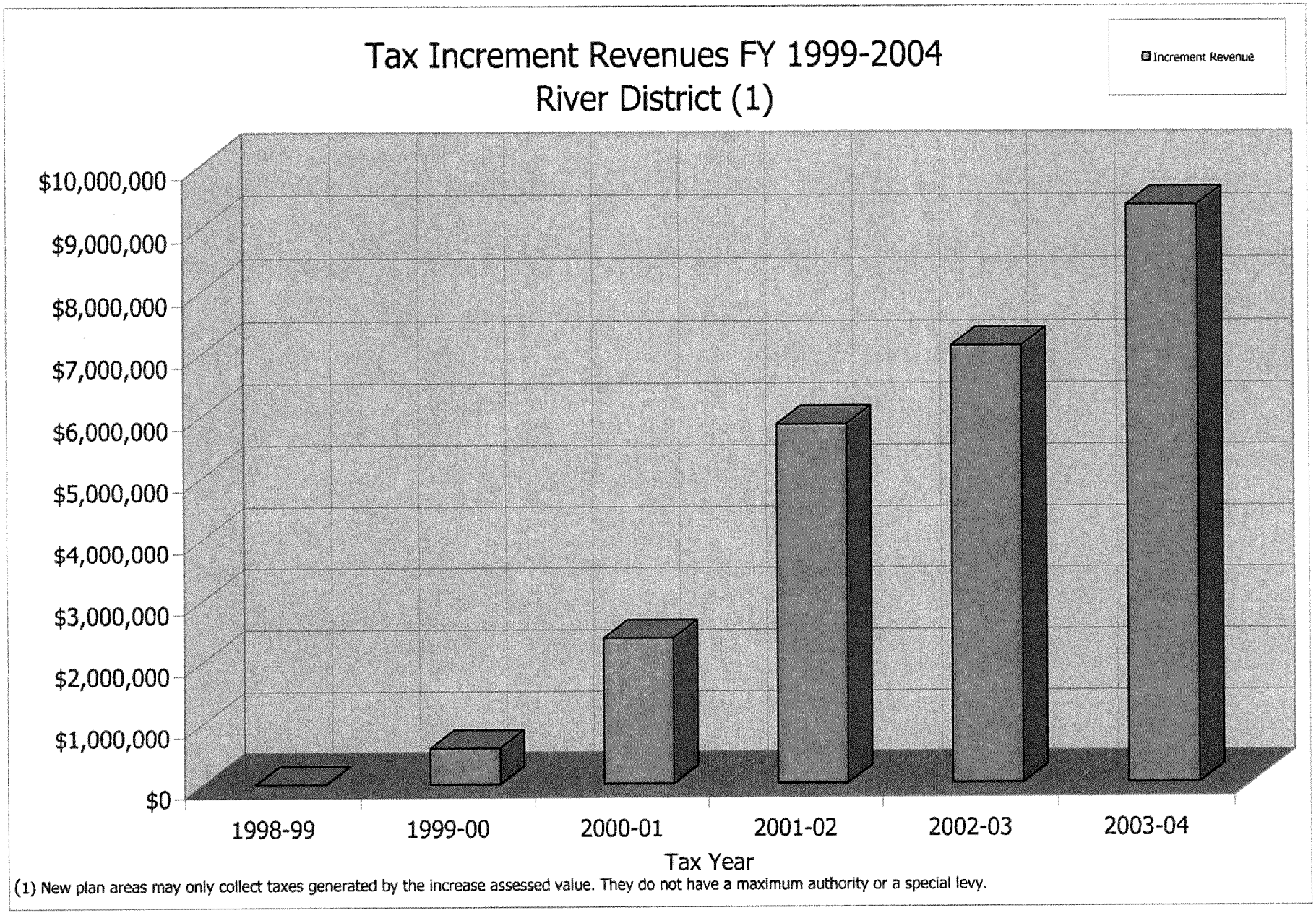
Key Current Project/Challenges:

Station Place. This mixed-use project at the northeast corner of NW 9th Avenue and Lovejoy (the former site of the Police Mounted Horse Patrol Unit) will include 175 senior housing units, 30,000 square feet of commercial space, and a 425 public parking garage. Eighty of the housing units are targeted to seniors earning less than 30% of median family income. The commercial space has been designed to accommodate a full service grocery store. A $2.1 million infrastructure contract has recently been completed which constructed new public streets and utilities serving this seven acre site.

A second phase will start once this phase is completed and will include 175 condominium units with retail on the ground floor. The condos will include at least 10% of the units that will sell at or below 120% of the area's median family income, without public subsidies.

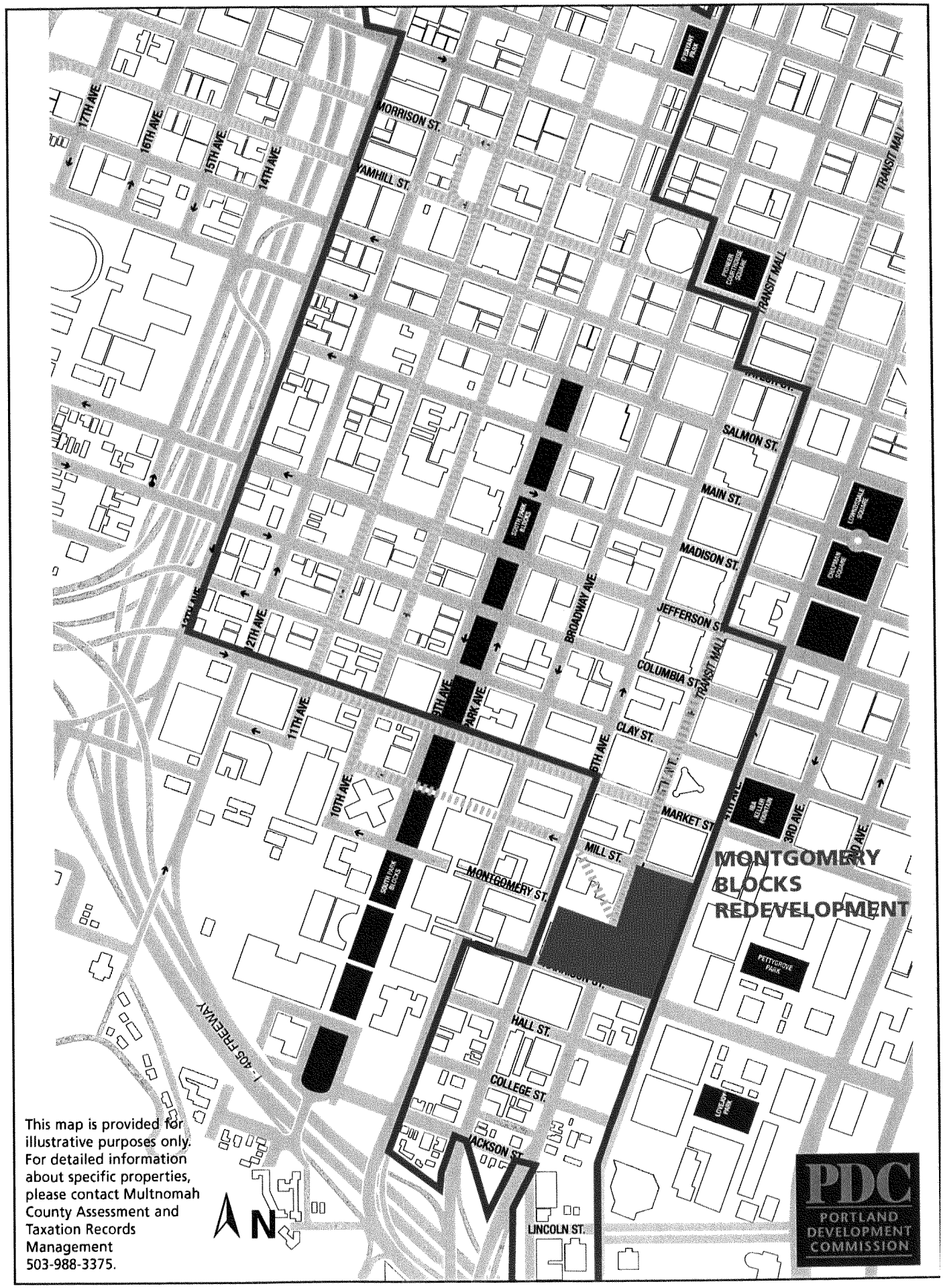
Together, these projects will link the newly growing areas of the Pearl District to the waterfront areas along NW Naito Parkway and prime areas for redevelopment to the north.


URA Assessed Valuation FY 1999-2004
River District
Incremental AV
Base AV Value
900,000,000
800,000,000
700,000,000
600,000,000
500,000,000
400,000,000
300,000,000
200,000,000
100,000,000
-
Assessed Value
1998-99
1999-00
2000-01
2001-02
2002-03
2003-04
Tax Year



(1) New plan areas may only collect taxes generated by the increase assessed value. They do not have a maximum authority or a special levy.

DT Park Blocks Urban Renewal Area



This map is provided for illustrative purposes only. For detailed information about specific properties, please contact Multnomah County Assessment and Taxation Records Management 503-988-3375.

PDC
PORTLAND DEVELOPMENT COMMISSION

South Park Blocks

Date formed: 1985
Expiration date: July 2008

	2000-01	2001-02	2002-03
AV growth in URA	6.7%	11.2%	10.6%
Average AV growth citywide	5.6%	4.4%	2.4%

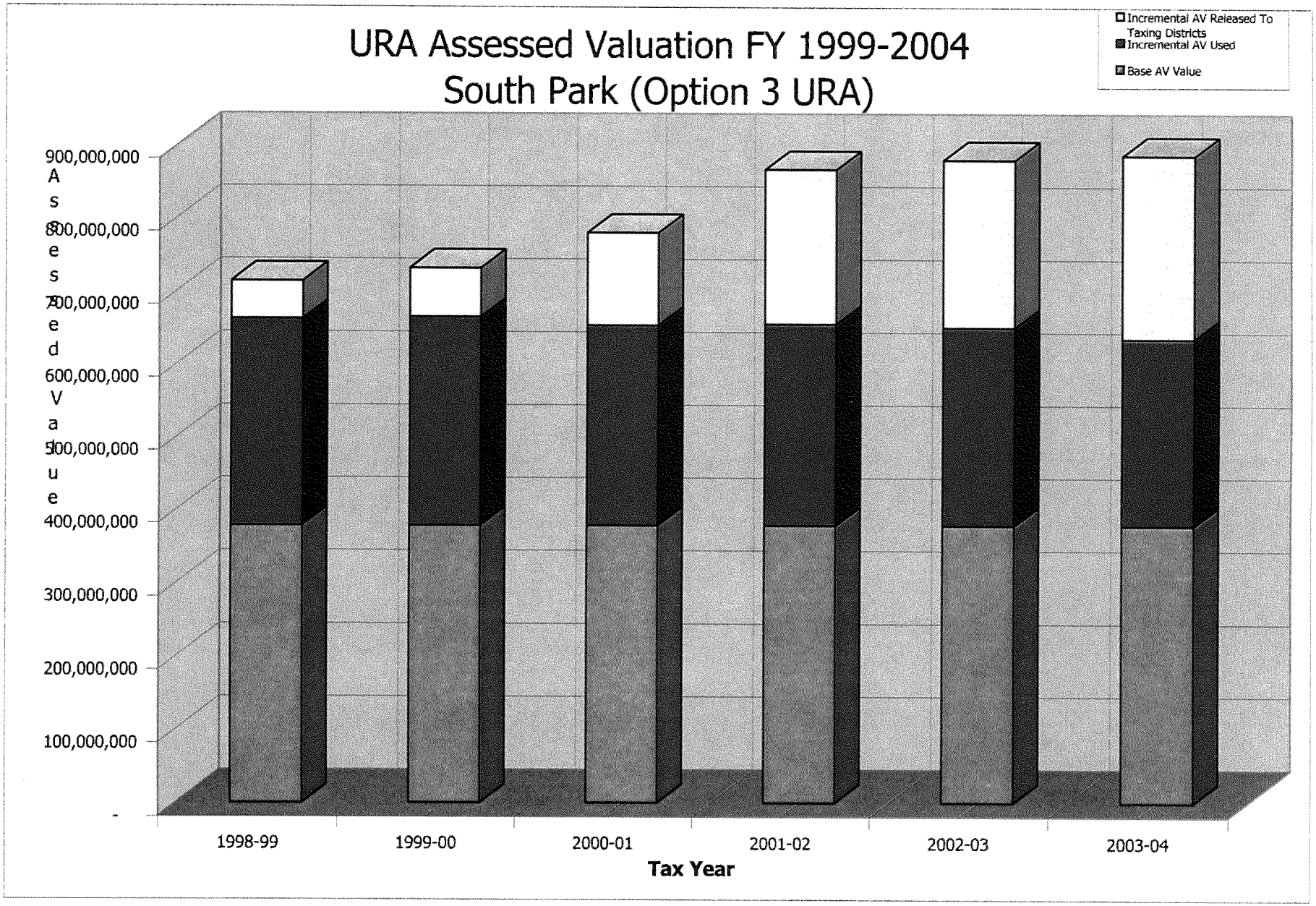
Objective: To increase middle income housing, maintain existing lower income housing, enhance public facilities, upgrade the commercial park blocks, encourage a balanced transportation system, and increase retail competitiveness.

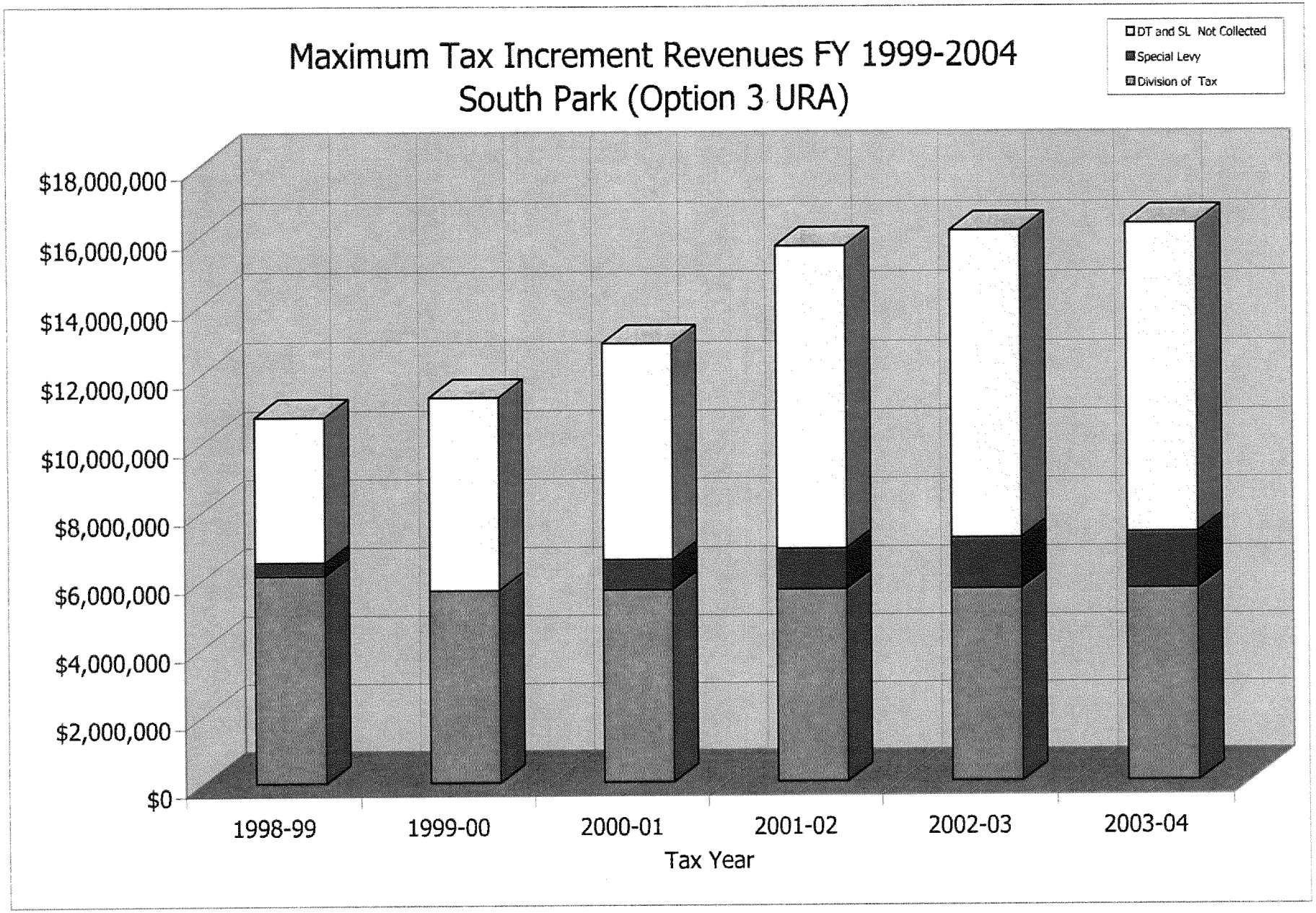
Recent Successes/Accomplishments:

- Museum Place under construction. This project includes the St. Francis (130 units targeted to 0-30% of median family income), Museum Place South (142 mixed income apartments, a 40,000 square foot Safeway, below grade parking, and the rehabilitation of the YWCA), and market rate condos which will be the first ones constructed in the South Park Blocks in nearly thirty years. The latter are currently in design.
- Purchased Car Pool lot and interest in PCAT site from PSU.
- Continued refinement of Mid-town park Blocks redevelopment proposal.

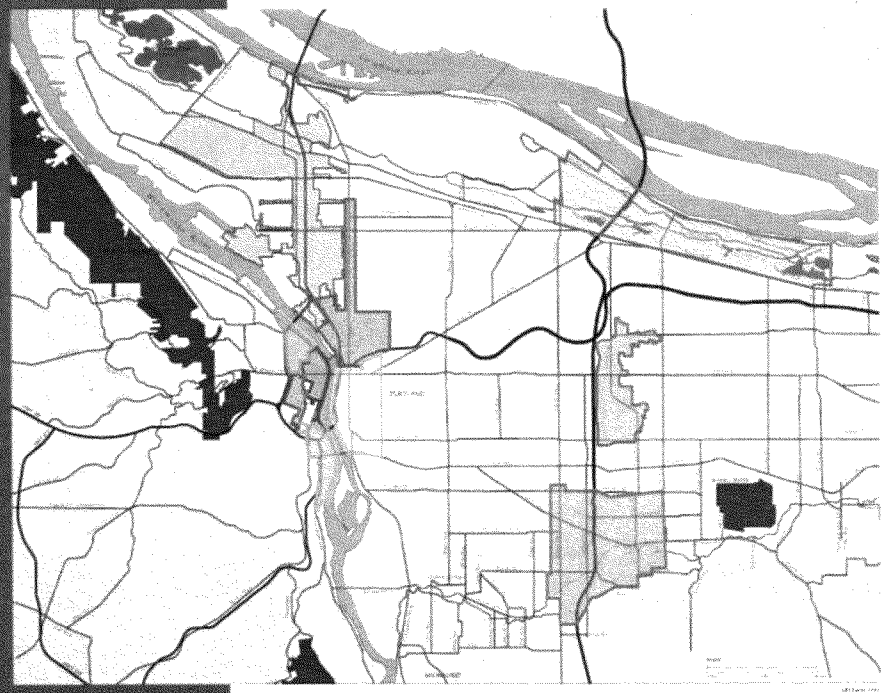
Key Current Project/Challenge:

Montgomery Redevelopment. In collaboration with Portland State University, this is a proposed multi-block, mixed-use, redevelopment on the PCAT block and the blocks running east along 4th from the Car Pool lot. Reuse would include market rate housing, underground parking, ground floor retail, and PSU academic uses. A unique site plan utilizes the streetcar as an amenity diagonally bisecting a block devoted to housing. In conjunction with the redevelopment of the PCAT block this area would provide a center and focal point for the neighborhood and University District providing necessary service retail and over 500 new housing units. A significant, new, mixed-use building on the PCAT site would complement the Urban Affairs building and frame the public space.


URA Assessed Valuation FY 1999-2004
South Park (Option 3 URA)
Incremental AV Released To Taxing Districts
Incremental AV Used
Base AV Value
Assessed Value
900,000,000
800,000,000
700,000,000
600,000,000
500,000,000
400,000,000
300,000,000
200,000,000
100,000,000
-
1998-99
1999-00
2000-01
2001-02
2002-03
2003-04
Tax Year


Maximum Tax Increment Revenues FY 1999-2004
South Park (Option 3 URA)
DT and SL Not Collected
Special Levy
Division of Tax
$18,000,000
$16,000,000
$14,000,000
$12,000,000
$10,000,000
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$0
1998-99
1999-00
2000-01
2001-02
2002-03
2003-04
Tax Year

PDC's Current Urban Renewal Areas



URBAN RENEWAL AREAS

- IC - Interstate Corridor
- AW - Airport Way
- OCC - Oregon Conv. Center
- GRC - Gateway Regional Center
- RD - River District
- DTW - Downtown Waterfront
- SPB - South Parks Blocks
- CES - Central Eastside
- NMac - North Macadam
- LTC - Lents Town Center

PDC
PORTLAND DEVELOPMENT COMMISSION

10/29/03

Urban Renewal Released AV: 2003-2004

- Estimated Additional Level Authority to Schools and Local Governments from Urban Renewal Released AV above frozen base - Option 3 URA's (1)

To Portland School District (2)	$ 5,578,550
To Multnomah Co. ESD	$ 762,836
To Portland Community College	$ 471,438
To Multnomah County	$ 7,240,609
To City of Portland	$ 7,630,029
To Metro	$ 161,036
To Port of Portland	$ 116,859
Total Levy Authority	$21,961,357

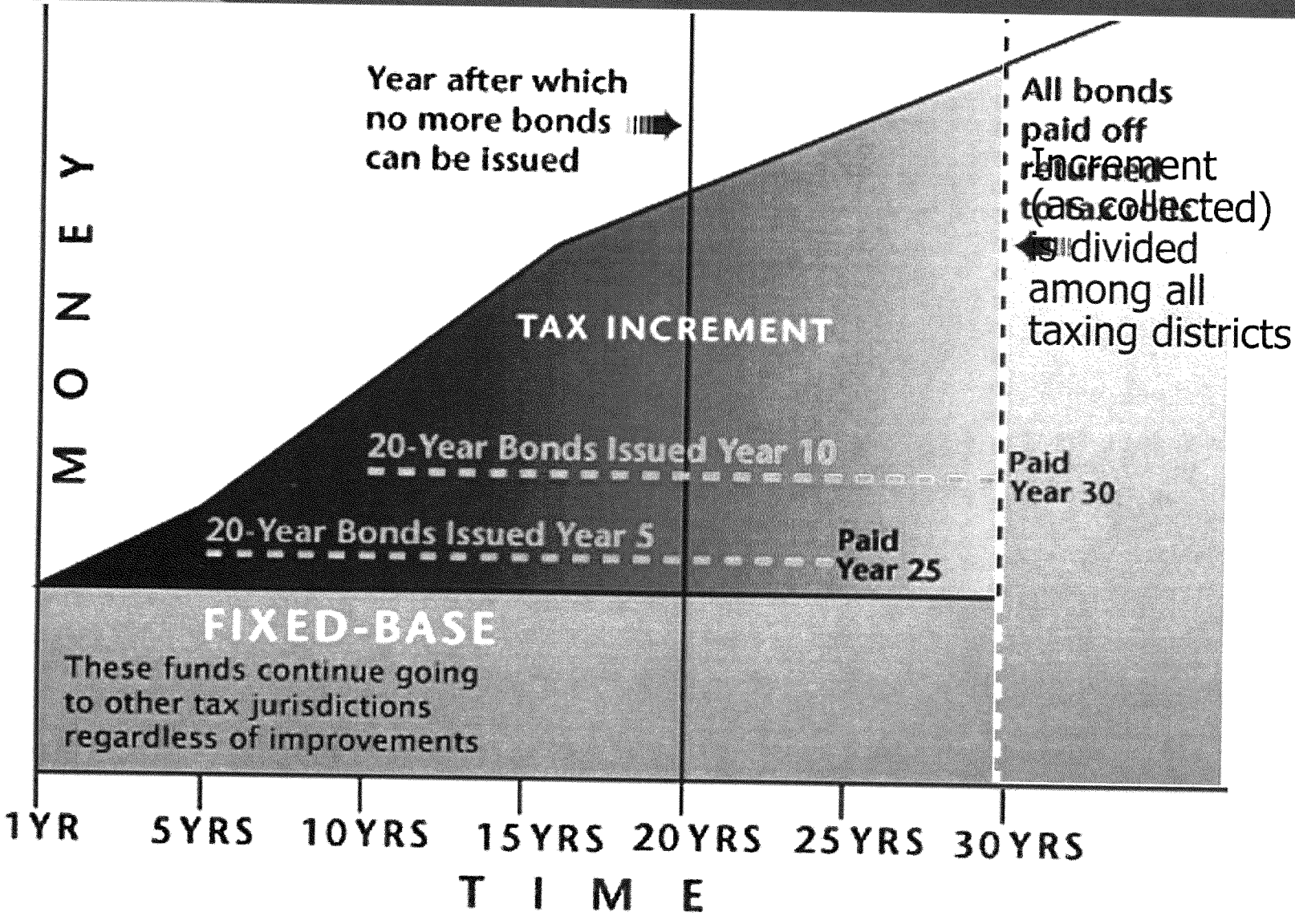
- Total Released AV since Option 3 initiated (1998) $1,667,037,226

1. Taxes are calculated by applying permanent rates to released Assessed Value. Effects of Measure 5 compression have not been estimated.
2. Includes portion of Airport Way URA within Portland Public School District.

Urban Renewal Basic Funding Concepts

A picture's worth a 1,000 words

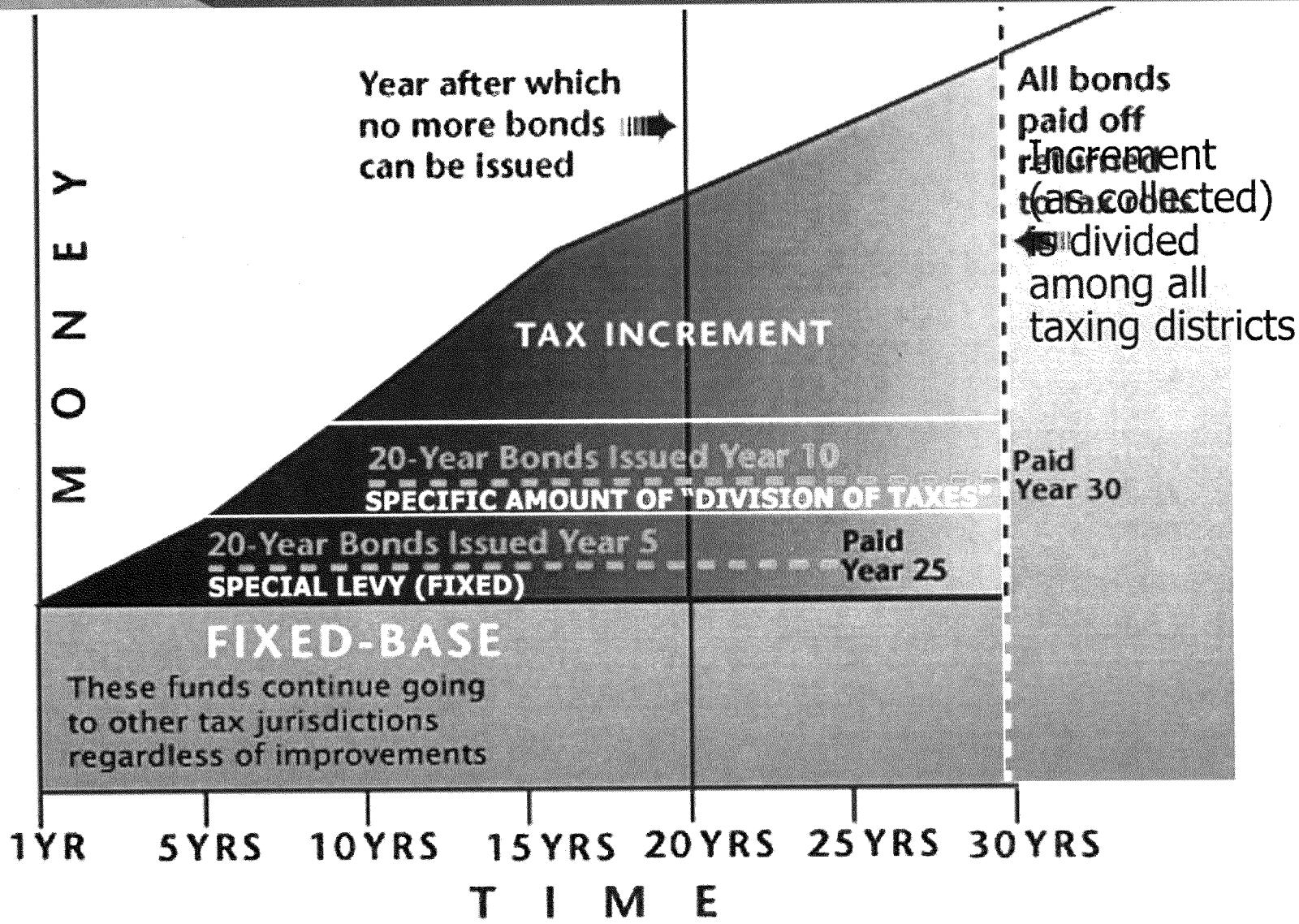
Option 1



Urban Renewal Basic Funding Concepts

A picture's worth a 1,000 words

Option 3



What Urban Renewal Does

- Improves and revitalizes specific areas of the city
  - The River District
  - The Waterfront
  - The Eastbank
  - The Oregon Convention Center and Martin Luther King, Jr. Blvd.
  - NE Alberta Street

What Urban Renewal Does

- Attracts new businesses/increases jobs
- Serves as an economic development tool
  - Wacker
  - Freightliner
  - Adidas
  - Lents Tech Center
  - Sumitomo
  - LSI
  - Fujitsu

What Urban Renewal Does

- Adds public improvements and enhanced livability.
  - Streetcar
  - PSU Urban Plaza
  - Eastbank Esplanade
  - Jamison Square

What Urban Renewal Does

- Stimulates private investment
- Increases property values
  - Property values increased an average of 20 percent around the streetcar line
  - Total leverage of public to private dollars in the Brewery Blocks was 1:33.

Urban Renewal

Performance Measures

- Five urban renewal areas studied represent just 5% of the City's geographical area yet represent 11% of its assessed value
- Improvement to land values have increased in four of the areas above the city average
- Assessed real market value per acre in each district is at least 3 times greater than when the districts were created
- Increases in tax assessed real market values within each urban renewal area have outpaced citywide growth

Urban Renewal

Performance Measures

- Since 1990, crime has been reduced in four of the areas anywhere from 24.5% to 67.8% compared to citywide reductions of 15.9%
- In the past five years alone, urban renewal efforts have helped create or retain more than 10,000 jobs and have helped create or rehabilitate more than 7,700 single and multi-family homes
- Two-thirds of all residents favor the concept of urban renewal

Urban Renewal Update

Background

Urban Renewal has changed dramatically and repeatedly over the past decade. In 1990, Measure 5 restrictions barred some urban renewal processes and set severe limitations on the ability to collect revenues to invest in existing urban renewal districts. The passage of Measure 47/50 in 1996 re-enacted some urban renewal processes that had been barred by the restrictions of Measure 5 in 1996, creating more certainty for urban renewal collections and tax increment financing.

Following the passage of Measure 47/50, the Oregon Legislature passed SB1215 to implement the new tax rules. SB 1215 changed urban renewal processes to conform with the new property tax rules; it also required local governments to make a one-time choice from one of three options for continued funding of pre-1996 urban renewal districts.

This report discusses the current urban renewal process and highlights the impacts on other local governments and schools. The main outcome is that local governments have benefited financially as a result of prior Council decisions, even though new districts have been formed.

Urban Renewal Process

SB 1215 required that local governments choose from one of three options for funding pre-1996 urban renewal districts. The options were:

1. Option 1 allowed local governments to generate urban renewal revenue by applying the consolidated tax rate multiplied by increment assessed value in the urban renewal district. This option would cause all tax increment revenues from the district's increment assessed value to go into the urban renewal district.
2. Option 2 consisted of a Special Tax Levy. Under this option, local governments would levy an amount up to the Maximum Tax Increment Revenue available within an urban renewal district against all taxable property within the boundaries of the jurisdiction. Furthermore, all Special Levy revenues would accrue to the urban renewal district only.
3. Option 3 combined elements of both Option 1 and Option 2 and allowed the jurisdiction to limit the total revenues to the urban renewal district. Option 3 allowed a portion of the Maximum Tax Increment Revenue to be collected from a divide-the-taxes[1] component and from a Special Levy. If increment assessed value rose above the limitation placed by the jurisdiction on the divide-the-taxes component, excess increment assessed value would be released for taxation by other local governments as if that increment assessed value was not within an urban renewal district. Likewise, the limitation on the Special Tax Levy restricted revenues available for expenditure within the district.

[1] Under the divide the taxes approach, taxes are levied within urban renewal areas in the same manner as in other areas, but are then divided between the local governments and schools imposing the taxes and the urban renewal agency, based on the increase in assessed value from the time of the formation of the urban renewal district.

The City of Portland carefully considered the options for its five pre-1996 districts and chose to leave one district (Central Eastside) operating traditionally under Option 1. The City Council chose to make the other four existing districts Option 3 districts and to place limitations on both counts, the divide-the-taxes and the special levy amounts.

The City Council felt that by choosing Option 3 they could: ensure adequate resources to fund the adopted urban renewal plans in those districts; bring forward the benefits of the released tax authority to other local governments and schools; reduce the burden on taxpayers because Option 3 would allow the lowering of some tax rates; and maintain compliance with the City/County agreement on levy shares.

The Portland City Council chose to apply Option #3 to four of five of the City's existing urban renewal districts and limit the urban renewal share of the divided taxes in each of those districts to $21.65 million per year plus a limited special levy. This allowed any amount available for collection beyond the $21.65 million to be "released" back to the local governments and schools. ***This key City of Portland decision increased local government and schools tax revenues from Option 3 urban renewal areas by tens of millions of dollars over the last four years.***

This one key urban renewal funding decision by Portland's City Council – the selection of Option 3 – accelerated the return to the general purpose governments and schools of increases in assessed values and therefore property tax revenues that would have otherwise generated revenue exclusively for urban renewal purposes.

The released amount of assessed value resulting from Portland's Option 3 decisions generates additional local government and schools property tax revenues on their respective operating tax levies. In addition, some property tax rates for other local governments and tax rates for levies, like Multnomah County local option levies or the City's Fire and Police pension levy, are lower because there is additional assessed value to support those levies. *(See also Table 1, attached.)*

New Districts

New districts created after December 1996 do cost local governments some levy authority and property tax revenues. When a new district is formed, the existing assessed value is frozen and all assessed value growth beyond the frozen base generates property tax revenues that accrue to the urban renewal district. *(see Table 2, attached, which estimates local government levy authority losses attributable to the four new Portland urban renewal districts.)*

Over the past four years, about $8.8 million of levy authority has been rerouted for investment into the four newest urban renewal districts. *However, the **net increase** to all local governments, comparing additional revenue from Option 3 districts with foregone taxing authority from new districts, is about **$30.9 million.** (Table 3, attached)*

What Does Urban Renewal Accomplish?

The State of Oregon is clear about the purpose and goals of urban renewal. ORS 457.020 states,

> *"redevelopment and urban renewal activities will stimulate residential construction which is closely correlated with general economic activity;...will aid the production of better housing and more desirable neighborhood and community development at lower costs and will make possible a more stable and larger volume of residential construction, which will assist materially in maintaining full employment."*

Through the projects of the Portland Development Commission (PDC), Portland's urban renewal agency, urban renewal funds are invested heavily in affordable housing, business area revitalization, and local infrastructure such as transportation in the urban renewal areas.

Decisions about how urban renewal resources are spent involve the local governments as well as community members who participate on citizen advisory committees for the urban renewal area. Some current key spending priorities, assuming estimated assessed value growth materializes, are:

- A key priority is housing. PDC investments for tax increment districts for FY 01-02 total $20 million, $16.7 on housing ($11 million of that on affordable housing).
- PDC will invest $10.8 million in Gateway in the next five years. Expenditures will include transportation, housing, transit-oriented development, parks, economic development, public facilities and minor amenities.
- PDC will invest $41 million in Lents in the next five years. Investments include housing, jobs and revitalization.

While urban renewal plans must, according to State statute, conform to city Comprehensive Plans, urban renewal also supports and meets the goals and policies of other local governments. Multnomah County states the value of urban renewal clearly as follows:

> "**Urban Renewal Area Activities:** Multnomah County works closely with citizens, the Portland Development Commission (PDC), the city of Gresham and community groups to insure that the policies of Multnomah County regarding community livability are met in the following areas: affordable housing; sustainable businesses; alternative modes of transportation; availability of needed services; training for the workforce; sense of community."
>
> From Multnomah County's website at *http://www.co.multnomah.or.us/dscd/admin/UrbanRenewal.shtml*

Benefits of Portland's Option 3 Choice

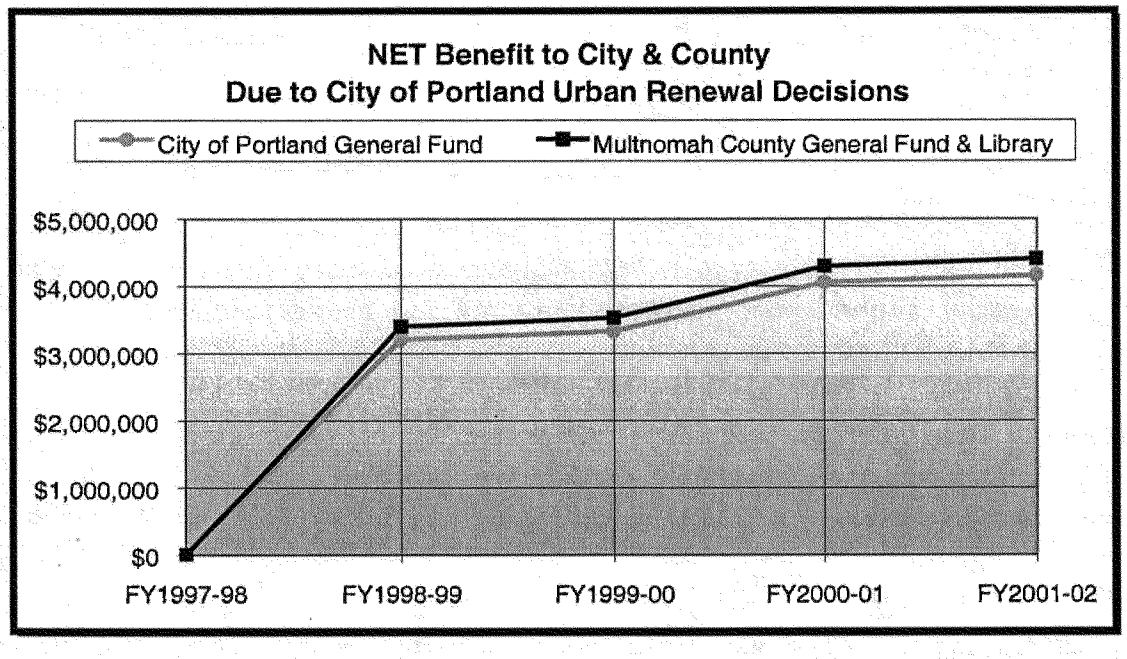
Over the past four years, the Portland City Council's decision to establish Option #3 districts has generated:

- About $39.7 million in additional imposed levy authority (after compression) for local governments, including $20.1 million for Multnomah County.
- An additional $24.4 million in imposed levy authority for local schools.
- And a grand total of an estimated $64.1 million in additional imposed levy authority for local governments and schools. *(Table 1, attached)*

It is anticipated that the returns in existing Option 3 districts will continue to outpace new district assessed growth. Additionally, the tax increment for the five pre-1996 districts is expected to be returned to the tax rolls over the course of the next 15 to 20 years as those districts reach their debt capacity. This will further increase local government revenues. Thus, there is likely to be a continued and very healthy net positive fiscal impact for local governments and schools between the additional tax revenue generated by the Option 3 districts versus foregone taxing authority related to new districts, well into the future.

For example, for FY 2001-02, Multnomah County will experience a net positive urban renewal impact of $4.4 million, revenue that would have been unavailable without the Portland City Council's 1998 decisions. This amount has been growing since 1998 and will continue to grow.

The same is true for other local governments. The City of Portland also experiences urban renewal revenue impacts. All local governments and schools lose operating resources as a trade off for the benefits that urban renewal can finance. Portland will lose $2.3 million this fiscal year due to new urban renewal districts, but will also experience a net positive urban renewal impact of $4.2 million, slightly less than Multnomah County as shown in the following table. *(see also Table 3, attached.)*



Conclusion

The City of Portland has managed the financing of existing urban renewal districts and new district formation with the intent to mitigate the fiscal impact on local governments and schools. In all, Multnomah County and local schools are experiencing and will continue to experience continually growing property tax revenues due to the Portland City Council's urban renewal decisions. This fiscal year alone over $20 million in resources legally available for urban renewal will be returned to local governments and schools rather than being invested in the urban renewal districts.

Office of Management & Finance – November 2001

Table 1-Estimated Addtional Local Government Imposed Levy Authority From Released Assessed Value

	FY1998-99	FY1999-00	FY2000-01	FY2001-02	FY2002-03	Total
Urban Renewal Released AV ($1,000).....	**$714,586**	**$840,371**	**$1,206,975**	**$1,454,585**	**$1,560,184**	
Additional Tax Levy Imposed.....						
Portland-General Fund.....	$3,211,787	$3,777,142	$5,424,885	$6,537,798	$6,911,238	$25,862,850
Multnomah County General Fund.....	$3,047,864	$3,584,365	$5,148,011	$6,204,123	$6,633,722	$24,618,086
Library-Local Option.....	$355,950	$418,606	$601,219	$724,559	$744,138	$2,844,472
PORT of Portland.....	$49,029	$57,660	$82,813	$99,802	$107,047	$396,351
METRO (Zoo Levy).....	$67,947	$79,908	$114,767	$138,311	$148,352	$549,286
Local Government Subtotal.....	*$6,732,577*	*$7,917,681*	*$11,371,695*	*$13,704,594*	*$14,544,498*	*$54,271,045*
School District No. 1 Operating.....	$3,267,466	$3,842,622	$5,518,930	$6,651,136	$7,133,991	$26,414,146
Local Option Levy ($0.75/41,000).....			$892,417	$1,090,939	$1,170,139	$3,153,495
Portland Com. College.....	$199,224	$234,293	$336,501	$405,534	$434,974	$1,610,526
Mult. Co. ESD.....	$321,815	$378,463	$543,564	$655,076	$702,633	$2,601,550
Local Schools Subtotal.....	*$3,788,505*	*$4,455,378*	*$7,291,411*	*$8,802,685*	*$9,441,737*	*$33,779,717*
Grand Total Local Government & Schools	*$10,521,082*	*$12,373,059*	*$18,663,106*	*$22,507,279*	*$23,986,235*	*$88,050,762*

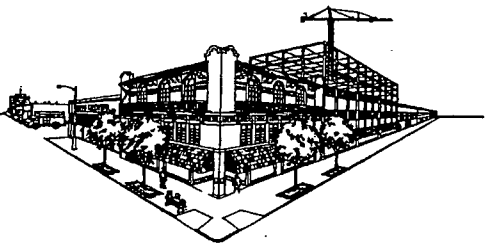
Table 2-Estimated Local Government Levy Authority Not Imposed--New Districts

	FY1998-99	FY1999-00	FY2000-01	FY2001-02	FY2002-03	Total
Urban Renewal Increment AV ($1,000).....						
RIVER DISTRICT.....		$32,844	$183,248	$311,353	$360,420	
LENTS.....		$66,296	$115,413	$144,345	$179,596	
MACADAM.....			$5,703	$15,450	$62,791	
GATEWAY.....					$35,847	
NORTH INTERSTATE CORRIDOR.....				$58,140	$104,465	
New Districts Increment AV TOTAL.....	*$0*	*$99,141*	*$304,364*	*$529,288*	*$743,119*	
Estimated Tax Levy Lost To UR.....						
Portland-General Fund.....	$0	$445,600	$1,367,999	$2,378,945	$3,291,838	$7,484,382
Multnomah County General Fund.....	$0	$422,858	$1,298,179	$2,257,529	$3,159,657	$7,138,223
Library-Local Option.....	$0	$49,442	$151,789	$263,960	$354,852	$820,042
PORT of Portland.....	$0	$6,802	$20,883	$36,316	$50,987	$114,988
METRO (Zoo Levy).....	$0	$9,427	$28,941	$50,328	$70,661	$159,357
Local Government Total.....	*$0*	*$934,130*	*$2,867,791*	*$4,987,077*	*$6,927,994*	***$15,716,992***

Table 3-NET Added Option 3 Levy Authority LESS New District Levy Authority Lost (est.)

	FY1998-99	FY1999-00	FY2000-01	FY2001-02	FY2002-03	Total
Portland-General Fund.....	$3,211,787	$3,331,542	$4,056,886	$4,158,853	$3,619,400	$18,378,467
Multnomah County General Fund.....	$3,047,864	$3,161,507	$3,849,831	$3,946,595	$3,474,066	$17,479,863
Library-Local Option.....	$355,950	$369,164	$449,431	$460,599	$389,286	$2,024,430
PORT of Portland.....	$49,029	$50,857	$61,930	$63,487	$56,060	$281,363
METRO (Zoo Levy).....	$67,947	$70,481	$85,826	$87,983	$77,692	$389,929
Local Government Total.....	**$6,732,577**	**$6,983,551**	**$8,503,904**	**$8,717,517**	**$7,616,504**	**$38,554,053**

E. D. Hovee
& Company
Economic and Development Services



MEMORANDUM

To:	Martha Richmond, Portland Development Commission
From:	Eric Hovee
Subject:	Portland Urban Renewal Economic Analysis
Date:	September 11, 2001

This memorandum comprises results of an analysis of five selected urban renewal districts for the City of Portland. The focus of the analysis has been to track changes with measurable indicators for which present and historical data is readily available – notably taxable assessed valuation/real market valuation and reported crime.

The five urban renewal areas selected are the longest running currently active districts in the City of Portland; and therefore provide the best opportunity to assess long-term changes influenced by urban renewal designation and public investment. These five areas are:

- Airport Way (authorized in 1986, expiring 2011)
- Central Eastside (1986-2006)
- Downtown Waterfront (1974-2004)
- Oregon Convention Center (1989-2013)
- South Park Blocks (1905-2008)

While Oregon's property tax structure has changed considerably in recent years, we have compared real market value (based on current 2000 information) with prior year tax assessed values (then assessed at 100% of market value). This allows for an *apples-to-apples* comparison.

The improvements-to-land value ratio, presented in this analysis, measures the value of capital improvements relative to the value of land. For example, an improvement-to-land value of 1:1 means the value of private investment within an urban renewal district is worth only as much as the value of land. It is worth noting that in 1974, 34% of the properties within the Downtown Waterfront Urban Renewal District had an improvements-to-land value of 0.25:1 and 74% had a ratio of 1:1 or less; meaning that nearly three-quarters of the properties in the Downtown Waterfront district were worth less than the value of the land.

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E-mail: edhovee@edhovee.com

This memorandum is organized to cover the following topics:

Key Summary Findings
Area Specific Findings
Concluding Observations

Attached to the memorandum are detailed worksheets for each of the urban renewal areas evaluated.

KEY SUMMARY FINDINGS

Major findings resulting from this analysis are identified as follows:

- The five urban renewal areas studied comprise 5% of the City's geographic area and represent 11% of its assessed real market value. In other words, these districts are contributing more than twice their fair share of assessed valuation to the City's tax base.
- Improvement-to-land valuation has increased in all districts; all but one (Airport Way) have experienced improvement-to-land valuations above the citywide average. Improvement-to-land valuations represent an important indicator – both of the capital intensive nature of investment and density of development. Development density has proved to be of increased importance as the City and metro area move to implement Region 2040 objectives.
- Assessed real market value (per acre) in each district is at least three times greater than when the districts were created.
- Increases in tax assessed real market values within each urban renewal district have outpaced citywide growth. Depending on the urban renewal area, real market values have increased by anywhere from 6%-14% per year versus an annual average citywide growth rate of approximately 4%. The strongest growth has been experienced in the Oregon Convention Center with the slowest rate of increase in one Central Eastside Industrial District.
- Since 1990, crime has been reduced in four of the areas (for which data is available). The reduction in reported crime has been anywhere from about 25%-68% compared to citywide reductions of just under 16%. *Note:* Source of data is the Portland Police Bureau. Figures are unavailable for Airport Way and are only available from 1990 forward.

AREA SPECIFIC FINDINGS

What follows is a description of key findings for each of the five districts. For each district we have identified the start/expiration date of the district, total acreage, maximum indebtedness, assessed valuation growth since the tax base was frozen, and the overall ratio of improvements-to-land value.

Airport Way: This is Portland's largest urban renewal area in total acreage. Growth and assessed market valuation has occurred more than three times the pace of citywide assessed market valuation growth.

- Start/expiration date: 1986-May 2011
- Total acres: 2,780

- Maximum indebtedness: $72,638,268
- Assessed valuation growth since 1986: +13.6% per year average
- Improvements-to-land value ratio: 1.87:1

It is noted that the improvements in land value ratio are below the citywide average, however, this is attributable to the continued presence of significant amount of vacant land. Also noted is that land values have increased relatively rapidly from pre-urban renewal conditions. With a typical airport area/suburban industrial focus, improvements-to-land value ratios will tend to be lower than for more intensive and dense commercial development.

Important urban renewal funded projects in this district have included Airport Way, the PDX Airport MAX extension, Cascade Station, and Columbia Slough Trail.

Central Eastside: For this district, assessed market valuation has increased at a rate faster than the citywide average, but lower than other renewal areas considered. Geographic size of this district is just over one square mile.

- Start/expiration date: 1986-August 2006
- Total acres: 681
- Maximum indebtedness: $66,274,000
- Assessed valuation growth since 1986: +5.6% per year average
- Improvements-to-land value: 2.42:1
- Crime reduction since 1990: -48.35%

Key projects implemented have included Produce Row, OMSI, the Eastbank Esplanade and area Street improvements.

Recent land use and strategic planning initiatives planning such as the Central Eastside Development Opportunity Strategy for the riverfront area could lead to increased density of development and greater assessed valuation in the future as implementation proceeds.

Downtown Waterfront: Of the five districts considered, Downtown Waterfront has the highest improvements-to-land value ratio. This area has also experienced the most significant reduction in crime since 1990.

- Start/expiration date: 1974-April 2004
- Total acres: 309
- Maximum indebtedness: $165,000,000
- Assessed valuation growth since 1974: +9.6% per year average
- Improvements-to-land value: 3.66:1
- Crime reduction since 1990: -64.77%

Key projects in this area have included major public investment such as Waterfront Park, Pioneer Courthouse Square and the Chinese Classical Garden. Major private investments have included Pioneer Place and RiverPlace.

Oregon Convention Center: This is the most recent of the renewal areas considered. At just under one square mile in geographic area, it has been accompanied the largest maximum indebtedness. Assessed market valuation has increased more rapidly than for any of the other districts of the urban renewal areas considered.

- Start/expiration date: 1989-June 2013
- Total acres: 601
- Maximum indebtedness: $167,511,000
- Assessed valuation growth since 1989: +14.1% per year average
- Improvements-to-land value ratio: 2.83:1
- Crime reduction since 1990: -24.56%

Significant projects in the Oregon Convention Center area over the last decade have included streetscape and infrastructure improvements particularly in the Martin Luther King Jr. Blvd. area, King neighborhood commercial district improvements, Rose Quarter and Lloyd Development Strategies.

South Park Blocks: With less than one-quarter square mile of land area, this is the smallest of the City's urban renewal districts. The South Park Blocks have experienced the second highest intensity of improvements-to-land value ratio; this district also second in reported reduction in crime rate.

- Start/expiration date: 1985-July 2008
- Total acres: 161
- Maximum indebtedness: $143,619,000
- Assessed valuation growth since 1988: +7.6% per year average
- Improvements-to-land value ratio: 3.12:1
- Crime reduction since 1990: -62.7%

Major projects funded through urban renewal in South Parks Blocks have included affordable (low-moderate income) rental apartments, public parking, Portland State University Urban Plaza, historic preservation, and the Portland Central City Streetcar.

CONCLUDING COMMENTS

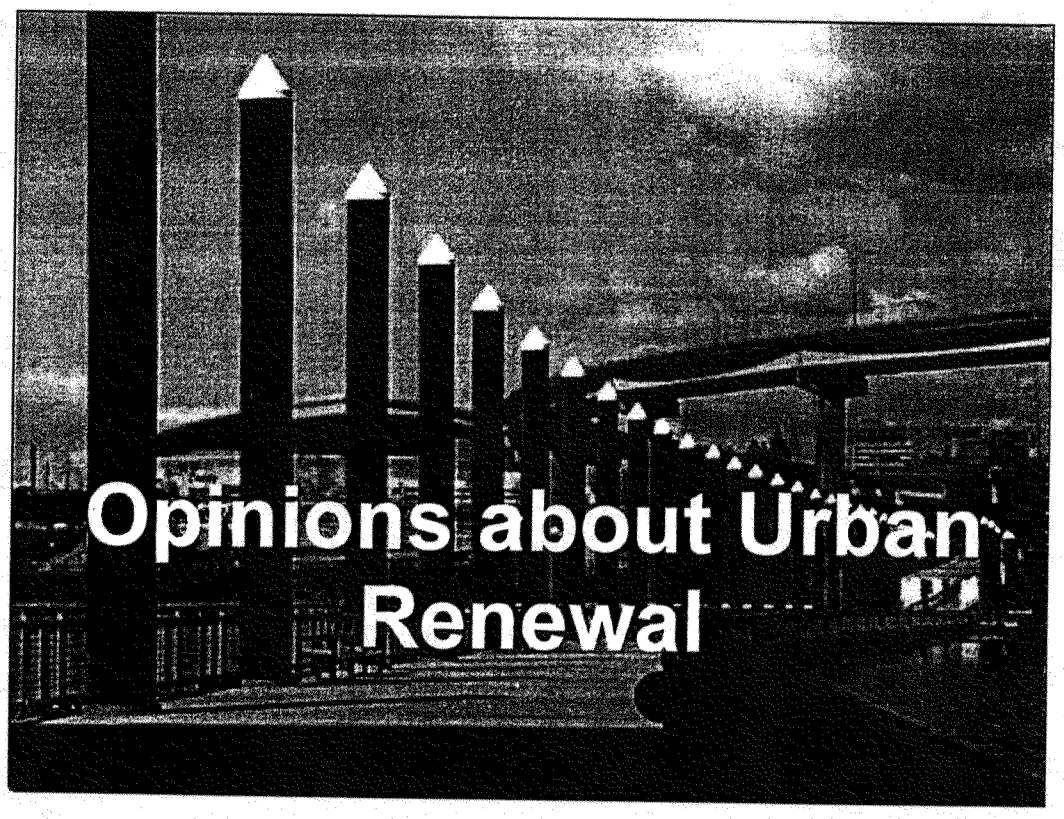
We conclude this report with three observations:

- Urban renewal appears to have made a significant difference for Portland – to the City's financial and socioeconomic vitality.

- Public/private investment has stimulated gains in real market valuation greatly exceeding what has been achieved throughout the rest of the City. The property tax base is frozen during the period of urban renewal project cost repayment. However, long-term urban renewal has proved to be a long-term of net new financial resources to City of Portland and other local tax jurisdictions.
- While pertinent socioeconomic data is unfortunately limited, the crime rate data that is available clearly indicates significant improvements in quality of life associated with successful urban renewal implementation.

E.D. Hovee & Company has appreciated the opportunity to provide this urban renewal retrospective analysis. We would be happy to respond to questions or comments regarding any aspect of this report.

Enclosures: Urban Renewal Worksheets



Opinions about Urban Renewal

A REPORT FOR

Portland Development Commission

BY

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JULY 2001

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INTRODUCTION

This report presents the results of a 2001 telephone survey of residents in Portland, Oregon. CFM Research, a public affairs, strategic communications and research company located in Portland, Oregon, conducted the study. The research objectives were to determine the awareness of and attitudes about urban renewal, test potential communication messages, and assess support for tax increment financing.

Six hundred interviews were completed among a representative random sample of city residents age eighteen years and older. Random digit dialing was used to generate the sample. Interviews were conducted July 12-15, 2001. Supervisory personnel verified a minimum of fifteen percent of each interviewer's work.

Readers should keep in mind that all surveys are subject to sampling error, also called margin of error. The margin of error largely depends on the survey's total number of interviews. For the total sample of this project, the percentages are statistically valid to a margin of error of plus or minus 4.1% at the 95% confidence level.

SUMMARY

Portland residents like and support urban renewal. Roughly two in three (68%) have favorable opinions of the program and more than three in four (78%) support the concept of urban renewal.

Top-of-mind, the aspect of urban renewal that residents like best is that it helps to rehabilitate the city in a variety of ways, including the environment, affordable housing, new business and jobs. Conversely, the main hesitations residents have about the program are paying for the improvements and displacing residents.

To build support of urban renewal, proponents should talk about the results of the program. Knowing urban renewal helps to revitalize specific areas of the city and learning about specific projects — such as Tom McCall Waterfront Park, the Convention Center and others — generate the most favorable opinions. Residents are less impressed with the process used to designate and design urban renewal districts and may be concerned that voter approval is not required.

Using tax increment financing to pay for streets, sewers, and other public facilities in urban renewal districts is strongly supported by Portland residents. However, there is some concern that tax increment financing may impact other local taxing districts and that funds cannot be used for social programs.

After hearing statements about urban renewal and tax increment financing, support for urban renewal remains strong. Three in four residents favored urban renewal, even after learning voter approval is not required and that funds cannot be used for social programs.

On other issues, residents are evenly divided about changing state law to allow elected officials to use tax increment financing for social programs.

GENERAL PERSPECTIVES

Mood of Portland Residents

When residents were asked where they thought the city of Portland was headed, nearly two in three (63%) said the city was headed in the right direction compared to one in five (22%) who thought it was on the wrong track. A majority of all demographic subgroups were upbeat, but the mood of some subgroups was more positive than others. Those age 18-34 (76%), residents of northwest and southwest Portland (73%), Independents (70%) and Democrats (68%) were among the most optimistic residents. The overall mood of Portland residents suggests the current economic downturn has not significantly impacted their outlook for the future. Furthermore, the results suggest a confidence that institutions, like big business and government, are capable of addressing the issues facing the area.

Mood of Portland Residents

Do you think things in the City of Portland are headed in the right direction, or are things pretty much off on the wrong track?

	Right Direction	Wrong Track	Not Sure
All	63%	22%	15%
Age			
18-34	76%	12%	13%
35-54	63%	23%	15%
55+	52%	31%	17%
Area			
North	64%	29%	7%
NW/SW	73%	18%	9%
NE	61%	19%	20%
SE	61%	23%	17%
Party Preference			
Demo	68%	18%	14%
GOP	50%	31%	18%
Ind/other	70%	17%	13%
Not registered	58%	32%	11%

Opinions of Local Government Agencies

Residents were generally impressed with Portland area government agencies. More than half had favorable impressions of Metro (60% favorable) and the Portland City Council (55%). Somewhat fewer residents had favorable opinions of the Portland Development Commission (47%) and the Multnomah County Commission (44%), although a large share had no opinion of either group. All four government bodies had a favorable to unfavorable ratio of at least two to one. As a rule of thumb, a favorable to unfavorable ratio of less than two to one is an indication of potential dissatisfaction of actions or policies.

Opinions of Local Government Agencies

The following are names of some local government agencies. Please tell me if you have a favorable or unfavorable opinion of each.

	Total Favorable	Total Unfavorable	Not Sure	Ratio Fav/Unfav
Metro	60%	24%	16%	2.5:1
The Portland City Council	55%	27%	18%	2:1
The Portland Development Commission	47%	21%	32%	2.3:1
The Multnomah County Commission	44%	17%	39%	2.6:1

PERSPECTIVES OF URBAN RENEWAL

Opinions of Urban Renewal

When residents were asked their opinion of the effort called urban renewal, a total of 69% had favorable opinions, including 27% very favorable, while some of 22% had unfavorable opinions. Roughly two in three of all Portland residents had favorable opinions of urban renewal, with one exception: residents age 55 and older, among whom 54% had favorable opinions.

Opinions of Urban Renewal

What is your opinion of the effort called urban renewal? Would you say it is:

Very favorable	27%
Somewhat favorable	41%
Total favorable	69%
Total unfavorable	22%
Somewhat unfavorable	12%
Very unfavorable	9%
Not sure	10%

Totals may vary due to rounding

Perceptions of Urban Renewal

The aspect of urban renewal that most impressed Portland residents was that it rehabilitates the city/neighborhood (28%). Other favorable attributes of urban renewal included creates an overall better community (15%) and creates a better environment/cleans up the city (14%). Also mentioned was creates affordable housing (6%), creates businesses (4%), improves transportation/makes the community more accessible (4%), cleans up crime/makes community safer (3%), creates jobs (2%), and increases property values (2%). Some people had heard nothing (12%), had heard nothing positive (7%) or weren't sure (9%). Overall these results suggest that Portland area residents have a good idea about the benefits derived from urban renewal.

Favorable Opinions of Urban Renewal

What are some good things you have heard about urban renewal?

Rehabilitates the city/neighborhoods	28%
Creates an overall better community	15%
Creates a better environment/greener areas/cleans up city	14%
Creates affordable housing	6%
Creates businesses/more businesses	4%
Improves transportation/makes community more accessible	4%
Cleans up crime/makes community safer	3%
Creates jobs	2%
Increases property value	2%
Other	10%
Have heard negative things/nothing positive	7%
Don't know/refused	21%

Multiple responses accepted

On the other hand, affordability (16%) and displaces people (14%) were the primary hesitations residents had about urban renewal. Other volunteered concerns included overpopulation/uncontrolled growth (8%), traffic/roads/parking (5%), misuse of funds (5%), people don't get a say (5%), general mistrust (4%), destroys neighborhoods (3%), use of land (3%), time it will take for a project (2%), environment (2%), too much government involvement (2%), and working in the wrong areas (2%). A large share had no concerns (26%) or weren't sure (15%).

Concerns about Urban Renewal

What hesitations or concerns do you have or have you heard about urban renewal?

Affordability	16%
Displaces people	14%
Overpopulation/uncontrolled growth	8%
Traffic/roads/parking	5%
Misuse of funds	5%
People don't get a say	5%
General dislike/mistrust	4%
Destroys neighborhoods/hurts more than helps	3%
Use of land	3%
Time it will take for a project	2%
Environment	2%
Too much government/political involvement	2%
Working on the wrong areas	2%
Other	8%
No concerns/hesitations	26%
Don't know/refused	15%

Multiple responses accepted

Support for Urban Renewal

Portland residents overwhelmingly favored the concept of urban renewal, 78% to 13%. At least two in three of all residents favored urban renewal.

Support for Urban Renewal

Generally speaking, would you say you favor or oppose the concept of urban renewal in Portland?

Strongly favor	39%
Somewhat favor	39%
Total favor	78%
Total oppose	13%
Somewhat oppose	6%
Strongly oppose	7%
Not sure	9%

Awareness of Portland Area Urban Renewal Projects

When residents were asked to name urban renewal projects completed in the Portland area, more than 170 potential projects were volunteered, but none dominated top-of-mind awareness. Among the projects mentioned were light rail/Max/street cars (8%), Pearl District (7%), Esplanade/East bank/walkway (7%), Martin Luther King Boulevard (6%), downtown (4%), and Waterfront Park (3%). No other project was volunteered by more than 2%, and roughly four in ten (43%) couldn't think of an urban renewal project in Portland.

Awareness of Portland Area Urban Renewal Projects

Please tell me any urban renewal projects you are aware of that have been completed in the City of Portland.

Light rail/Max/ street car system	8%
Pearl District	7%
Esplanade/East bank/walkway	7%
Martin Luther King Blvd	6%
Downtown	4%
Waterfront Park	3%
Northeast Portland	2%
Civic Auditorium	2%
Northwest Portland	2%
Pioneer Square	2%
North Portland	2%
Park Blocks	2%
Gateway	2%
Old Town	1%
Walking trail/walkway	1%
Alberta	1%
Lents	1%
Southwest Portland	1%
Chinese Garden	1%
Interstate	1%
Convention Center	1%
Westside walkway	1%
St. Johns	1%
Other	21%
Don't Know/refused	43%

Impacting Opinions about Urban Renewal

Residents were read statements about urban renewal to determine which most favorably affected their opinions of the program. As a rule, those statements focusing on the results of urban renewal were more likely to generate favorable opinions of the program than statements dealing with the process for getting projects approved.

The statements most likely to make residents have more favorable opinions of urban renewal were:

- Urban renewal is a way to improve and revitalize specific areas within a city. (73% more favorable)
- Tom McCall Waterfront Park, River Place, Pioneer Square and the Convention Center are examples of Portland urban renewal projects. (70%)

Statements that made at least six in ten residents have more favorable opinions of urban renewal were:

- Urban renewal improves areas and revitalizes local economies. (67%)
- When urban renewal work is completed, property values in the district usually increase. (67%)
- Once completed, urban renewal attracts new businesses and creates new jobs in the area. (64%)
- When designing new buildings and facilities in urban renewal projects, local neighborhood styles are adopted and some existing buildings are remodeled. (62%)
- The Portland City Council can only adopt an urban renewal plan after formal public hearings and input by local residents. (61%)
- Urban renewal helps to create new jobs in the area. (61%)
- Urban renewal areas include new parks, improved streets, and a full range of new housing. (60%)

Statements that made at least half the residents have favorable opinions of urban renewal included:

- Urban renewal stimulates private investments in deteriorating parts of the city. (59%)
- Urban renewal projects are joint efforts by public agencies and private investors. (54%)
- The opinions of residents within urban renewal areas are strongly considered before a project proceeds. (54%)
- Urban renewal doesn't cause growth but helps manage growth. (50%)

The other ten statements tested caused less than half to have favorable opinions about urban renewal. In fact, five statements made a majority of residents have less favorable opinions of the programs. Those statements that were less effective were:

- Local residents, businesses, property owners and community representatives are involved in designating and designing urban renewal projects. (49%)
- Crime rates decline in areas where urban renewal has been completed. (49%)
- Approval of urban renewal projects requires a lengthy public involvement process and extensive citizen involvement. (48%)
- Without urban renewal, the Portland Urban Growth Boundary may need to be expanded. (47%)
- Portland has used urban renewal as a tool for more than 40 years. (44%)
- Private investments pay for most of the new building construction and renovation costs in urban renewal areas. (38%)
- Urban renewal improvements can be completed more quickly because they don't require voter approval. (30%)
- Urban renewal has little or no impact on the taxes homeowners pay. (30%)
- The City Council and City staff make the primary decisions about where urban renewal will occur. (29%)

- To pay for projects, urban renewal bonds are issued with city council approval. No special voter approval is required. (26%)

Conkling Fiskum & McCormick has found that successful communications campaigns use just two or three key messages. Using more than three messages dilutes the effectiveness of the campaign. In this case, Portland residents respond most favorably to information that addresses what urban renewal has done, particularly as the information relates to specific improvements and the economic impact of the projects.

Impacting Opinions of Urban Renewal

Please tell me how each of the following statements affects your opinion of urban renewal projects in the city of Portland. Use a five point scale with five being much more favorable opinion and one much less favorable opinion.

More Effective Messages			
	Total Favorable (4+5)	Total Unfavorable (1+2+3)	Not Sure
Urban renewal is a way to improve and revitalize specific areas within a city.	73%	25%	2%
Tom McCall Waterfront Park, River Place, Pioneer Square and the Convention Center are examples of Portland urban renewal projects.	70%	24%	6%
Urban renewal improves areas and revitalizes local economies.	67%	30%	3%
When urban renewal work is completed, property values in the district usually increase.	67%	29%	4%
Once completed, urban renewal attracts new businesses and creates new jobs in the area.	64%	34%	3%
When designing new buildings and facilities in urban renewal projects, local neighborhood styles are adopted and some existing buildings are remodeled.	62%	35%	4%
The Portland City Council can only adopt an urban renewal plan after formal public hearings and input by local residents.	61%	32%	8%
Urban renewal helps to create new jobs in the area.	61%	36%	3%
Urban renewal areas include new parks, improved streets, and a full range of new housing.	60%	37%	2%

Impacting Opinions of Urban Renewal

Less Effective Messages			
	Total Favorable (4+5)	Total Unfavorable (1+2+3)	Not Sure
Urban renewal stimulates private investments in deteriorating parts of the City.	59%	36%	5%
Urban renewal projects are joint efforts by public agencies and private investors.	54%	40%	6%
The opinions of residents within urban renewal areas are strongly considered before a project proceeds.	54%	42%	4%
Urban renewal doesn't cause growth but helps manage growth.	50%	44%	6%
Local residents, businesses, property owners and community representatives are involved in designating and designing urban renewal projects.	49%	44%	8%
Crime rates decline in areas where urban renewal has been completed.	49%	43%	8%
Approval of urban renewal projects requires a lengthy public involvement process and extensive citizen involvement.	48%	45%	7%
Without urban renewal, the Portland Urban Growth Boundary may need to be expanded.	47%	45%	8%
Portland has used urban renewal as a tool for more than 40 years.	44%	34%	23%
Private investments pay for most of the new building construction and renovation costs in urban renewal areas.	38%	51%	11%
Urban renewal improvements can be completed more quickly because they don't require voter approval.	30%	63%	7%
Urban renewal has little or no impact on the taxes homeowners pay.	30%	61%	9%
The City Council and City staff make the primary decisions about where urban renewal will occur.	29%	66%	6%
To pay for projects, urban renewal bonds are issued with city council approval. No special voter approval is required.	26%	63%	12%

Informed Support of Urban Renewal

After hearing the statements about urban renewal, support for the program increased from 78% to 83%. The information had the greatest impact on those residents who were originally undecided about the program. The information had no impact on those originally opposed to urban renewal.

Informed Support of Urban Renewal

After hearing these statements would you say you favor or oppose the concept of urban renewal in Portland?

	Original Support	Informed Support
Strongly favor	39%	46%
Somewhat favor	39%	37%
Total favor	78%	83%
Total oppose	13%	12%
Somewhat oppose	6%	5%
Strongly oppose	7%	7%
Not sure	9%	5%

TAX ISSUES

Paying for Urban Renewal: Tax Increment Financing

Portland area residents were read an explanation about how incremental taxes derived from higher property values in urban renewal districts pay for improvements to public facilities in district. After hearing the description about tax increment financing, residents favored the funding method 65% to 30%. A majority of all demographic subgroups favored the concept of tax increment financing, but support was strongest among residents living in the Northwest/Southwest part of Portland (75%), those with higher incomes (71%) and those who have lived in Portland 15 years or less (73%).

Tax Increment Financing

New construction and renovated buildings increase the value of property in urban renewal districts. The higher property values generate some additional property tax revenues. The additional revenues are used to pay for improvements to streets, sewers and other public facilities in the urban renewal district. Do you favor or oppose this method of financing urban renewal projects?

	Total Favor	Total Oppose	Undecided
All	65%	30%	5%
Age			
18-34	69%	26%	6%
35-54	68%	28%	4%
55+	58%	37%	5%
Area			
North	51%	40%	8%
NW/SW	75%	24%	2%
NE	62%	33%	6%
SE	67%	28%	5%
Length of Residence			
15 years or less	71%	25%	5%
> 15 year	62%	33%	5%
Race			
White	67%	28%	4%
Other	55%	40%	5%
Income			
< $50K	62%	33%	4%
$50K +	74%	22%	4%

Limited Uses of Incremental Tax Revenues

Residents were read four statements about tax increment financing to determine how the information affected their opinion of the financing method. Two of the statements had no impact on support for tax increment financing and two statements caused support for tax increment financing to decline significantly.

The statements that had no impact on support for tax increment financing were:

- Once urban renewal improvements are paid for, all tax revenue goes back to normal property tax collection and distribution. (68%)
- The additional taxes resulting from higher property values in an urban renewal district can only be used for capital improvements in the district, like streets, sewers and public buildings, until the urban renewal projects are paid for. This is usually twenty years. (66%)

The two statements that caused support for tax increment to decline were:

- None of the increased tax revenues resulting from urban renewal can be used to pay for social programs, like early childhood education or mental health services until capital projects are paid for and all tax revenue goes back to normal tax collection and distribution. (49%)
- For other local taxing districts, like school districts, fire districts and local governments, the tax base is frozen at the pre-renewal level so they do not benefit from the increased property values until after the urban renewal projects are paid for. (45%)

Knowing that the incremental tax revenues derived from urban renewal districts could not be used for social programs caused support for the taxing method to decline among all demographic subgroups.

Impacting Support for Tax Increment Financing

Would you favor or oppose tax increment financing to pay for public works in urban renewal areas if you knew:

	Total Favor	Total Oppose	Undecided
The additional taxes resulting from higher property values in an urban renewal district can only be used for capital improvements in the district, like streets, sewers and public buildings, until the urban renewal projects are paid for. This is usually twenty years.	66%	39%	7%
Once urban renewal improvements are paid for, all tax revenue goes back to normal property tax collection and distribution.	68%	25%	7%
None of the increased tax revenues resulting from urban renewal can be used to pay for social programs, like early childhood education or mental health services until capital projects are paid for and all tax revenue goes back to normal tax collection and distribution.	49%	43%	8%
For other local taxing districts, like school districts, fire districts and local governments, the tax base is frozen at the pre-renewal level so they do not benefit from the increased property values until after the urban renewal projects are paid for.	45%	46%	9%

Second Informed Support for Urban Renewal

After learning about tax increment financing, Portland residents still overwhelmingly favored urban renewal 75% to 19%. Overall, these results suggest that knowing more about tax increment financing, including that the funds cannot be used for social programs, does not undermine support for urban renewal.

Second Informed Support for Urban Renewal

After hearing these statements would you say you favor or oppose the concept of urban renewal in Portland?

	Original Support	1st Informed Support	2nd Informed Support
Strongly favor	39%	46%	38%
Somewhat favor	39%	37%	37%
Total favor	78%	83%	75%
Total oppose	13%	12%	19%
Somewhat oppose	6%	5%	10%
Strongly oppose	7%	7%	9%
Not sure	9%	5%	6%

Changing State Tax Increment Financing Laws

Portland residents were evenly divided, 45% for to 46% against, about changing state law to allow elected officials, county commissions or city councils to use funds from urban renewal districts to pay for social programs. Strongest support for changing state law was found among residents age 18-34 (56%) and independent voters (52%). On the other hand, a majority of Republicans (60%), residents age 55 and older (57%) and those earning $50,000 or more (53%) opposed the change.

Support for Funding Social Programs

Would you favor or oppose changing state law to allow elected officials, county commissions or city councils to use funds from urban renewal districts to pay for social programs rather than capital projects?

	Total Favor	Total Oppose	Undecided
All	45%	46%	9%
Age			
18-34	56%	38%	6%
35-54	47%	45%	8%
55+	30%	57%	13%
Party Preference			
Demo	46%	44%	10%
GOP	33%	60%	7%
Ind/other	52%	44%	4%
Not registered	42%	34%	24%
Income			
< $50K	50%	42%	8%
$50K +	40%	53%	7%

PDC Urban Renewal Survey
(N=600)

Hello, this is _____ of CFM Research, a public opinion research company located in Portland. We are conducting a market research study among Portland area residents. May I please speak to a member of the household who is 18 years or older?

S1. First, do you reside within Portland city limits?

1.	Yes	Continue
2.	No	Terminate
3.	Not Sure	Terminate

Do you have a few minutes to answer a few questions?

1. First, do you think things in the City of Portland are headed in the right direction, or are things pretty much off on the wrong track?

1.	Right direction	63%
2.	Wrong track	22%
3.	Not sure	15%

The following are names of some local government agencies. Please tell me if you have a favorable or unfavorable opinion of each. WAIT AND ASK: Is that very (favorable/unfavorable) or just somewhat (favorable/unfavorable)? READ AND ROTATE Q 2-5

		Favorable		Unfavorable		Don't
		Very	Somewhat	Somewhat	Very	Know
2.	The Multnomah County Commission	9%	35%	11%	6%	39%
3.	The Portland City Council	12%	43%	14%	13%	18%
4.	Metro	22%	38%	12%	12%	16%
5.	The Portland Development Commission	13%	35%	11%	10%	32%

6. What is your opinion of the effort called urban renewal? Would you say it is:

1.	Very favorable	27%
2.	Somewhat favorable	41%
3.	Somewhat unfavorable	12%
4.	Very unfavorable	9%
5.	(DON'T READ) Not sure	10%

Usually there are two sides to most stories. (READ AND ROTATE Q 7/8)

7. What are some good things you have heard about urban renewal? PROBE FOR SPECIFICS. ACCEPT MULTIPLE RESPONSES

Rehabilitates city/neighborhoods	28%
Creates an overall better community/general positive	15%
Creates a better environment/greener areas/cleans up city	14%
Haven't heard anything/know nothing	12%
Have heard negative things/nothing positive	7%
Creates affordable housing	6%
Creates businesses/more businesses	4%
Improves transportation/makes community more accessible	4%
Cleans up crime/makes community safer	3%
Creates jobs	2%
Increases property value	2%
Other	10%
Don't know/refused	9%

8. What hesitations or concerns do you have or have you heard about urban renewal? PROBE FOR SPECIFICS. ACCEPT MULTIPLE RESPONSES

No concerns/hesitations	26%
Affordability	16%
Displacement of people	14%
Overpopulation/uncontrolled growth	8%
Traffic/roads/parking	5%
Misuse of funds	5%
People don't get a say	5%
General dislike/mistrust	4%
Destroys neighborhoods/hurts more than helps	3%
Use of land	3%
Time it will take for a project	2%
Environment	2%
Too much government/political involvement	2%
Working on the wrong areas	2%
Other	8%
Don't know/refused	15%

9. Generally speaking, would you say you favor or oppose the concept of urban renewal in Portland? WAIT AND ASK: Is that strongly (favor/oppose) or just somewhat (favor/oppose)?

1.	Strongly favor	39%
2.	Somewhat favor	39%
3.	Somewhat oppose	6%
4.	Strongly oppose	7%
5.	(DON'T READ) Not sure	9%

10. Please tell me any urban renewal projects you are aware of that have been completed in the City of Portland. DON'T READ. ACCEPT MULTIPLE RESPONSES.

Pearl District	7%
Martin Luther King Blvd	5%
Downtown	4%
Water Park/Waterfront	3%
Light rail and trolley system	3%
Esplanade	3%
MAX	3%
Eastside walkway/river	2%
Northeast Portland	2%
Civic Auditorium	2%
Northwest Portland	2%
Pioneer Square	2%
North Portland	2%
Park Blocks	2%
East Bank	2%
Gateway	2%
Old Town	1%
Street car	1%
Walking trail/walkway	1%
Alberta	1%
Lents	1%
Southwest Portland	1%
Chinese Garden	1%
Interstate	1%
Convention Center	1%
MLK	1%
Westside walkway	1%
MAX station	1%
St. Johns	1%
China Town	<1%
Killingsworth and Alberta	<1%
North Burnside	<1%
Union Station	<1%
PGE Park	<1%
2nd Avenue	<1%
9th to the freeway	<1%
Arden Wall School	<1%
Benedict Park	<1%
Bybee House	<1%
Gresham and 122nd	<1%
Lents Interstate	<1%
McLoughlin Blvd	<1%
MAX line	<1%
Northeast Alberta	<1%
Northwest 23rd	<1%
PGE Park	<1%
Parkrose	<1%
Portland core area	<1%
Pearl District	<1%
Railroad yard	<1%
Rose Quarter	<1%
Springwater	<1%
Other	21%
Don't know/refused	43%

Please tell me how each of the following statements affects your opinion of urban renewal projects in the city of Portland. Use a five point scale with five being much more favorable opinion and one much less favorable opinion.
(READ AND ROTATE Q11-Q33)

		Much Less Favorable 1	2	3	4	Much More Favorable 5	Not Sure 6
11.	Urban renewal improves areas and revitalizes local economies.	4%	6%	20%	35%	32%	3%
12.	Portland has used urban renewal as a tool for more than 40 years.	5%	6%	22%	21%	23%	23%
13.	Tom McCall Waterfront Park, River Place, Pioneer Square and the Convention Center are examples of Portland urban renewal projects.	5%	3%	15%	28%	43%	6%
14.	Local residents, businesses, property owners and community representatives are involved in designating and designing urban renewal projects.	8%	10%	26%	27%	23%	8%
15.	The Portland City Council can only adopt an urban renewal plan after formal public hearings and input by local residents.	7%	7%	18%	24%	37%	8%
16.	Urban renewal projects are joint efforts by public agencies and private investors.	6%	8%	25%	26%	28%	6%
17.	Once completed, urban renewal attracts new businesses and creates new jobs in the area.	5%	6%	22%	29%	36%	3%
18.	Urban renewal areas include new parks, improved streets, and a full range of new housing.	6%	9%	23%	27%	33%	2%
19.	Crime rates decline in areas where urban renewal has been completed.	8%	10%	25%	25%	24%	8%
20.	When designing new buildings and facilities in urban renewal projects, local neighborhood styles are adopted and some existing buildings are remodeled.	5%	7%	23%	30%	31%	4%
21.	Private investments pay for most of the new building construction and renovation costs in urban renewal areas.	9%	13%	29%	19%	19%	11%

		Much Less Favorable 1	2	3	4	Much More Favorable 5	Not Sure 6
22.	To pay for projects, urban renewal bonds are issued with city council approval. No special voter approval is required.	18%	20%	25%	15%	11%	12%
23.	Urban renewal improvements can be completed more quickly because they don't require voter approval.	22%	18%	24%	18%	12%	7%
24.	The City Council and City staff make the primary decisions about where urban renewal will occur.	21%	16%	28%	19%	10%	6%
25.	Approval of urban renewal projects requires a lengthy public involvement process and extensive citizen involvement.	8%	11%	27%	25%	23%	7%
26.	The opinions of residents within urban renewal areas are strongly considered before a project proceeds.	12%	10%	20%	20%	34%	4%
27.	Urban renewal is a way to improve and revitalize specific areas within a city.	4%	4%	17%	30%	43%	2%
28.	Urban renewal stimulates private investments in deteriorating parts of the City.	5%	9%	22%	29%	30%	5%
29.	Urban renewal helps to create new jobs in the area.	4%	8%	25%	29%	32%	3%
30.	Without urban renewal, the Portland Urban Growth Boundary may need to be expanded.	14%	11%	20%	20%	26%	8%
31.	Urban renewal doesn't cause growth but helps manage growth.	9%	11%	24%	26%	25%	6%
32.	Urban renewal has little or no impact on the taxes homeowners pay.	22%	18%	21%	14%	16%	9%
33.	When urban renewal work is completed, property values in the district usually increase.	6%	6%	17%	29%	39%	4%

34. After hearing these statements would you say you favor or oppose the concept of urban renewal in Portland? WAIT AND ASK: Is that strongly (favor/oppose) or just somewhat (favor/oppose)?

1.	Strongly favor	46%
2.	Somewhat favor	37%
3.	Somewhat oppose	5%
4.	Strongly oppose	7%
5.	(DON'T READ) Not sure	5%

The following are some questions about property taxes in urban renewal areas.

35. New construction and renovated buildings increase the value of property in urban renewal districts. The higher property values generate some additional property tax revenues. The additional revenues are used to pay for improvements to streets, sewers and other public facilities in the urban renewal district. Do you favor or oppose this method of financing urban renewal projects? WAIT AND ASK: Is that strongly (favor/oppose) or just somewhat (favor/oppose)?

1.	Strongly favor	26%
2.	Somewhat favor	39%
3.	Somewhat oppose	16%
4.	Strongly oppose	15%
5.	(DON'T READ) Not sure	5%

36. The additional taxes resulting from higher property values in an urban renewal district can only be used for capital improvements in the district, like streets, sewers and public buildings, until the urban renewal projects are paid for. This is usually twenty years. Knowing this, do you favor or oppose this method of financing urban renewal projects? WAIT AND ASK: Is that strongly (favor/oppose) or just somewhat (favor/oppose)?

1.	Strongly favor	27%
2.	Somewhat favor	39%
3.	Somewhat oppose	13%
4.	Strongly oppose	14%
5.	(DON'T READ) Not sure	7%

37. Once urban renewal improvements are paid for, all tax revenue goes back to normal property tax collection and distribution. Knowing this, do you favor or oppose this method of financing urban renewal projects? WAIT AND ASK: Is that strongly (favor/oppose) or just somewhat (favor/oppose)?

1.	Strongly favor	29%
2.	Somewhat favor	39%
3.	Somewhat oppose	12%
4.	Strongly oppose	14%
5.	(DON'T READ) Not sure	7%

38. None of the increased tax revenues resulting from urban renewal can be used to pay for social programs, like early childhood education or mental health services until capital projects are paid for and all tax revenue goes back to normal tax collection and distribution. Knowing this, do you favor or oppose this method of financing urban renewal projects? WAIT AND ASK: Is that strongly (favor/oppose) or just somewhat (favor/oppose)?

1.	Strongly favor	22%
2.	Somewhat favor	27%
3.	Somewhat oppose	17%
4.	Strongly oppose	26%
5.	(DON'T READ) Not sure	8%

39. For other local taxing districts, like school districts, fire districts and local governments, the tax base is frozen at the pre-renewal level so they do not benefit from the increased property values until after the urban renewal projects are paid for. Knowing this, do you favor or oppose this method of financing urban renewal projects? WAIT AND ASK: Is that strongly (favor/oppose) or just somewhat (favor/oppose)?

1.	Strongly favor	15%
2.	Somewhat favor	30%
3.	Somewhat oppose	22%
4.	Strongly oppose	24%
5.	(DON'T READ) Not sure	9%

40. After hearing these statements would you say you favor or oppose the concept of urban renewal in Portland? WAIT AND ASK: Is that strongly (favor/oppose) or just somewhat (favor/oppose)?

1.	Strongly favor	38%
2.	Somewhat favor	37%
3.	Somewhat oppose	10%
4.	Strongly oppose	9%
5.	(DON'T READ) Not sure	6%

41. Would you favor or oppose changing state law to allow elected officials, county commissions or city councils to use funds from urban renewal districts to pay for social programs rather than capital projects? WAIT AND ASK: Is that strongly (favor/oppose) or just somewhat (favor/oppose)?

1.	Strongly favor	23%
2.	Somewhat favor	22%
3.	Somewhat oppose	18%
4.	Strongly oppose	28%
5.	(DON'T READ) Not sure	9%

And now just a few statistical questions.

42. What is your age?

1.	18-24	7%
2.	25-34	23%
3.	35-44	19%
4.	45-54	20%
5.	55-64	15%
6.	65+	13%
7.	(DON'T READ) Refused	3%

43. What is your total annual household income. . .

1.	Less than $25,000	18%
2.	$25,000 to 34,999	14%
3.	$35,000 to $49,999	21%
4.	$50,000 to $74,999	22%
5.	$75,000 or more	14%
6.	(DON'T READ) Refused/don't know	11%

44. Which of the following best describes your ethnic background? Is it:

1.	European, Caucasian or White	85%
2.	African American	3%
3.	Hispanic American	1%
4.	Asian American	2%
5.	Native American	2%
(DON'T READ)		
6.	Other	2%
7.	Refused/don't know	5%

45. How long have you lived in the City of Portland? Is it:

1.	Less than 5 years	18%
2.	5 to 10 years	15%
3.	11 to 15 years	8%
4.	15 to 20 years	8%
5.	More than 20 years	52%

46. Are you registered to vote

1.	as a Democrat	46%
2.	as a Republican	20%
3.	in another party	4%
4.	as an Independent	18%
5.	or not registered to vote?	6%
6.	(DON'T READ) Not sure/refused	7%

47. Gender (By observation)

1.	Male	50%
2.	Female	50%

48. What is your home the zip code? (Don't Read)

A Brief History of Urban Renewal in Portland, Oregon

By
Craig Wollner
John Provo
Julie Schablitsky

August 2001

Introduction

By Marty Brantley, Chairman of the Portland Development Commission

We can be proud of the human scale of our city, from our safe neighborhood streets and vibrant central city to our variety of housing and thriving small businesses. We can credit much of the livability of our city to exemplary planning and a strong history of nearly 50 years of urban renewal to carry out the plans and visions of our citizens.

There is one person who has been a strong voice and committed supporter for urban renewal in the past nine years, Mayor Vera Katz. Since her election in 1993, Mayor Katz has been charged with overseeing the work of Portland's urban renewal agency, the Portland Development Commission, we have worked closely with Mayor Katz and are extremely proud of the accomplishments we have been able to achieve together—The Classical Chinese Garden, the birth of a new neighborhood in the River District, a revitalized retail core thanks to developments such as Pioneer Place and a renewed focus and commitment to our neighborhoods like Northeast Portland, Lents, Gateway and Interstate. During the Katz administration we have brought forward five new urban renewal areas and hundreds of projects, but our work is far from over.

The Mayor, the Portland Development Commission, City Council and all of our community partners must begin now to determine what the next era of urban renewal will mean for Portland. To do the best we can in shaping the future, we must learn all we can from the past urban renewal projects, programs, and processes.

In the history that follows you will find that the past five decades of urban renewal have brought some marvelous successes, but they have not been without their hurdles and challenges. In reading about this past we are blessed with hindsight and the ability to learn from our missteps. History is, indeed, a valuable learning tool. After all, you cannot know where you are going unless you understand and respect where it is you have been.

As we look back in time at the use of urban renewal, we must realize it reflects the best thinking and the best intentions of those who came before us. This history informs the decisions Mayor Katz, my colleagues on the Portland Development Commission and the City Council will make about how Portland uses the tool of urban renewal in the 21st Century. These decisions will continue to build safe neighborhoods, provide housing of all income levels, and keep Portland one of the most envied cities in the United States. Regardless of your past involvement, I hope this historical look at urban renewal will both inform and encourage further community involvement and partnerships as we shape Portland's future.

URBAN RENEWAL IN AMERICA:

Context and Perspective

"From the day slum entered the language of social reform, its mere mention was enough to revolt the good citizen, win the support of the crusading press, and dedicate official action to its extinction."

–Charles Abrams, *The City is the Frontier*, (1965), p. 19

Franklin Roosevelt, in his second inaugural address in 1937, described the economic condition of families after the Great Depression. He saw "one-third of a nation ill-housed, ill-fed, ill-clothed," and challenged the United States to do better. However, it was not until after World War II that meaningful action was possible. The Housing Act of 1949 was Congress's first post-war attempt to make good on FDR's promise. The act reemphasized the national commitment to adequate housing that Roosevelt had enunciated in his 1937 address. It states that

> the general welfare and security of the nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and suitable living environment for every American family.[1]

The Housing Act offered federal funds to municipalities for urban redevelopment. At the time, the lack of investment in real property had devastated large cities all over the United States, leaving properties that were unfit for occupancy and abandoned.

As projects were completed, and as analyses of the social and economic factors leading to slum conditions became more sophisticated, urban renewal activities to address blight have changed. However, the fundamental principles of urban renewal have remained the same as the goals Roosevelt articulated: to address economic disinvestment in communities by providing targeted funds for infrastructure, public spaces, and the renovation or construction of buildings to

meet the economic, housing, and social needs of the community, and to sustain or increase the base of property values.

The values and objectives associated with the policy of urban renewal provided funding for hundreds of projects nationwide including 17 major redevelopment areas in the city of Portland since 1958. The basic strategies associated with these values and objectives in the United States generally have produced, a variety of outcomes ranging from great triumphs to markedly unsuccessful undertakings.

As federal urban renewal funds were replaced by block grant programs, urban renewal became less a tool of national strategy and more a response to local needs and priorities. Portland has taken FDR's vision and given it a uniquely local flavor.

The Portland Context

As in the rest of the nation, the record of urban renewal in Portland is best judged by its contemporary social and economic context. Following World War II, the Pacific Northwest generally grew only slowly in contrast to the rest of the West, particularly the southwestern states. Between 1950 and 1980, Washington and Oregon's population grew at a rate of about 20 percent per decade, far below the rates of Arizona (an average of 54 percent growth in the same period), California (57 percent), and Nevada (71 percent). After 1980, because of sluggish economies, the two states grew only slowly, with Washington at 13 percent and Oregon at a meager four. Indeed, Oregon's urban center, Portland (like Seattle), lost population in the 1970s, although its metropolitan area kept growing, even as the state of Oregon itself lost 43,000 inhabitants between 1980 and 1984. The significance of this slow and relatively homogeneous population growth is that as urban renewal came into focus and was implemented as the cornerstone of redevelopment in Portland, it was in a community that did not experience the high level of social conflict that occurred elsewhere at the same time in terms of the racial politics and social tensions of the era.

Portland in the 1950s was a quiet town of 373,628 inhabitants. It had grown only slowly since World War II, primarily because of a consistent policy of resistance by its city leaders to the

post-war industrialization that characterized the development of other large U.S. cities. The values by which business and political leaders lived and acted, and that a foremost historian of the city, E. Kimbark McColl, asserted were shared by the general public at the mid-point of the twentieth century were summarized by him in the second volume of his two-part history of the city. He characterized these notions in a terse list.

> Portlanders considered the rights of private property to be sacred.
> Portlanders were rurally oriented.
> Portlanders had a deep-seated Anglo-Saxon bias.
> Portlanders viewed their city as a center of problems: crime, rising taxes, minorities and welfare recipients.
> Portlanders wanted above all else to keep their neighborhoods familiar and unchanging.
> Portlanders wanted to improve their lives by moving on.[2]

Portland's citizens during these years were not unlike other American city dwellers. Favored, as they and other Americans saw it, by the development of the automobile and the booming economy of the early post-war era which conferred on them higher incomes than their parents had achieved, as well as the GI Bill, FHA loans, and other devices of income and status growth, they desired more living space, and more pastoral and pleasant surroundings, than the core area of the city offered. With the aid of the Eisenhower administration, these aspirations were put within reach of many in the middle class. Under the guise of national security, the administration began a massive highway building program that enabled more efficient commuting to take place and clearly put the automobile in play as the preferred mode of transportation for most Americans. One symptom of this in Portland was the quick decline of the privately owned bus line, the Rose City Traction Company which, as the fifties progressed, limped into insolvency as Portlanders took to the streets in their cars in ever-increasing numbers.[3]

The exodus to the outer areas of the city in the 1950s--they could not yet be called suburbs as most of these places, such as Hillsdale in the southwestern quadrant, were actually well within the city limits--in the Portland region mirrored the movement of the white middle class in

other metropolitan areas of the United States, and it was to have similar consequences for the city of Portland as it would have elsewhere. For one thing, the departure from the core immediately divided the urban center in the minds of the white middle-class population from their new home places. The core area had become, as a whole, a place to work and do various kinds of business. The city and county administrations, police headquarters, and the courts were located there, as well as the largest banks and other major institutions. However, it was not a place for recreation or shopping. Indeed, for shopping there were new shopping centers, conveniently situated near outer neighborhoods. The first was a modest place in Hillsdale opened in 1955. It was followed by Eastport Plaza on 82nd Avenue in the southeast and then the massive Lloyd Center mall. Initially advertised as the largest shopping center in the nation, Lloyd Center began construction in the fifties and was opened in 1960. These were accessible by automobile and, in fact, could accommodate hundreds of cars in their spacious parking lots. Slowly, the inner core of the city became less dynamic and then stagnated with shopping trips dropping off dramatically by the end of the decade of the fifties.[4] It would be an exaggeration to describe the center of the city as being abandoned as happened in many other urban centers over the same period, but it is accurate to say that it became far less attractive to many, indeed, somewhat unattractive with its run-down stores and restaurants, crime, and elderly and poor residents. Meier & Frank had opened a store in the Lloyd Center as had other traditional merchants so consumers felt less and less necessity to make the trip to downtown for their needs. In the classic storyline of urban decline, the stable middle class was abandoning the core for the fringes.

Urban renewal in Portland must also be considered within the city's racial context. African-Americans were the only significant minority in Portland in 1950, whose numbers in that year were 11,529 and made up only about .8 percent of Oregon's population and 4.2 percent (at 9, 529) of the city's --with only very limited growth from 1950 to 1980.[5] In 1950 more than 50 percent of the black population lived in Census Tracts 22 and 23 in the Albina neighborhood.[6] Their isolation left the impression with many white Portland residents that there were no significant minority problems to speak of in the city. Sustaining this impression, city officials in

1968 carefully edited the word "ghetto" out of early planning documents in the Model Cities program.[7] This occurred over a period when most other major metropolitan areas experienced interracial strife based on tensions between the much larger populations of blacks living in poverty in central cities and whites, particularly working class whites unable to afford suburban living, and middle class whites who had the means to decamp for the suburbs.

The result of this superficial lack of a racial dimension to Portland's social and political life meant that few designs and outcomes of the city's urban renewal program were affected by race politics, with the general exception of the Emanuel Hospital District project, and initial participation in Model Cities. This fact would make Portland one of the few large cities to escape the intense racial turmoil that characterized the urban renewal efforts of many other places. It would also have the effect of gradually turning the city's program from one with a mildly socio-political mission, as it was in its origins (with a few exceptions, the largest being, again, Emanuel), as was the case in most other large cities, to one based on the preservation of neighborhood integrity and latterly the economic development needs of the entire city.

PORTLAND'S FIRST URBAN RENEWAL AGENDA:

Ira Keller and the Era of Grand Projects

"Keller was an amateur bureaucrat, but he resembled redevelopment entrepreneurs such as Edward Logue of New Haven and Boston, and Robert Moses of New York in his willingness to use appointive office and personal prestige to impose his own vision on a changing city."

–Carl Abbott on Ira Keller, first chairman of the Portland Development Commission, in *Portland: Planning, Politics, and Growth in a Twentieth-Century City*, (1983), p. 171

The history of urban renewal in Portland is distinguished by three phases of development. The first period ran roughly from 1958 to the late sixties. It was an era of grand projects, projects that were often undertaken with an urgency suggesting the crises of larger, more racially divided cities. The second lasted from the late sixties to the end of the 80s and focused urban renewal efforts on the preservation of Portland's neighborhoods and a vital downtown. The third and current phase, which began in the late 80s and early 90s, is characterized by its entrepreneurial spirit, its insistence on citizen involvement, and its adherence to the values of evolving what might be called "post-modern" urban planning theory.

Urban renewal's roots in Portland reach back to World War II. The war had a tremendous impact on Portland. In 1940 the Commercial Iron Company was granted federal contracts for shipbuilding. Other local companies received orders for Liberty and Victory ships, cargo ships, escort carriers, minesweepers, and patrol crafts. The frenzy of wartime industrial activity created thousands of jobs. An influx of workers and their families from the rural Northwest infiltrated the city creating an impact on facilities, an increase in retail sales, and a strain on the housing market.[8]

At the time, the City Planning Commission identified areas of residential blight. For example, during a meeting in February 1945, the Planning Commission stated, "the Albina area is one of the most decayed residential areas in the city and yet one of the most convenient areas from the standpoint of getting to the downtown area".[9]

Portland's post-war boom lasted through 1948, when wartime industrial jobs began to disappear, and the economy began to slow. The city paused to reflect on ways to revitalize itself. The Housing Act of 1949 provided funds to replace sub-standard housing with new low-income residences. Under the act, federal funding was also offered to local public agencies to buy, clear, and re-sell the land for additional housing ventures. Only ten percent of the redevelopment on the newly acquired property could serve nonresidential purposes.[10]

By 1950 city officials had met with Portland's civic leaders to determine what projects would be eligible under the Housing Act. After reviewing maps and tables illustrating the central decay of Portland, the Urban Redevelopment Committee under the Planning Commission chose Vaughn Street in Northwest, South Portland (near the Civic Auditorium), and the Stephens Addition (an inner Southeast area near Hawthorne Boulevard), as candidates for federal assistance.[11]

Based on the desire to quickly convert a dilapidated residential neighborhood to meet the need of an industrializing Portland, the Housing Authority approved the Vaughn Street project for further study in September 1951. In 1952 the City Council placed a $2 million bond for the so-called "Vaughn Street Plan" on the ballot. The project referred to a 44-block area in the mixed residential-industrial area in the city's northwestern quadrant.[12] The Housing Authority of Portland (HAP) called for removing dilapidated housing to make way for light industry and warehousing. The measure lost by over 18,000 votes [13] as western Portland and inner east side residents feared elevated housing prices and tax increases. In addition, politicians, such as Multnomah County Commissioner Frank Shull, voiced concern over the upheaval of a neighborhood and the "invitation of the federal octopus into Portland."[14] Recognizing that the City of Portland would need to sell the idea of urban renewal to the people, they proposed a self-funded pilot demonstration on two blocks during a meeting in 1955. Furthermore, the proposal recommended that the City Council appoint an urban renewal committee. The Council approved the proposal, but they made no further attempts to implement the project or to organize a committee to oversee urban renewal projects.[15] Eventually, a petition of 963 residents of the city's

northwest section, which contained an ethnic community of protesting Croatians, the predicted absence of money for housing after industrial development, and the voters' concern over the $2 million worth of bonds that would be Portland's share of the cost, killed the Vaughn Street project.[16]

Notwithstanding the disappointment of the 1952 vote, there was still a sense among city leaders that redevelopment should be undertaken in Portland. A discussion to develop a committee to oversee urban renewal was suggested in 1955. However, Portland was not ready to transfer demolition power to a single agency. Using a planning grant of $84,000, the Housing Authority nevertheless contracted with the Planning Commission to create an urban renewal sector in the Planning Bureau a year later.

A popular new mayor, Terry Shrunk, elected in 1956, actively educated the public on the economic benefits of an urban renewal program for Portland. The City also informed residents that if urban renewal was not employed in Portland, their home values were at stake.[17]

On May 16, 1958 the voters approved the creation of an urban renewal agency (by a slim margin) and the Portland Development Commission (PDC) was born.[18] The new agency claimed, "the men of Portland business and civic organizations will see their reward in the future elimination and prevention of blight and the promotion of industrial development."[19] Using urban renewal as their tool, the PDC's mission was to elevate and stabilize property values and in turn increase property tax returns. In addition, they were to protect public and private investments in urban renewal areas.[20]

Carl Abbott remarks in his development history of the city that Portland "fell head over heels for urban renewal at the end of the 1950s."[21] The reasons for the infatuation can be traced to the city's economic decline. When Terry Schrunk moved into the mayor's office in 1957, he found the local economy was sluggish, construction activity had fallen off, and unemployment was rising. Moreover, the municipal planning agencies, including the Planning Commission and HAP, were in need of re-energizing.[22] In 1957, the Oregon Legislature, acting on the recommendation of a Mayor's Advisory Committee, had enacted the state's urban renewal law. The city charter

provisions empowering PDC named it as the "Department of Development and Civic Promotion," designating it as a Department of the city and as the city's urban renewal and redevelopment agency. PDC's dual task was urban renewal under the state law, and civic promotion under the Charter.

On 14 July 1958, the first meeting of the PDC was held. PDC's first chairman was a Chicago transplant named Ira Keller, the chief executive and founder of Western Kraft Corporation, a wood products firm. Its first executive director was John Kenward, formerly a member of the city's planning staff and before that in the planning department of Santa Barbara, California. Kenward had worked energetically to promote the view that a development agency was necessary. He saw it as a medium by which public and private interests could be harnessed together to take advantage of federal funds available for civic improvement.[23] Urban renewal received a significant boost in 1961 when state voters granted the agency the most important tool of urban renewal, tax increment financing.

In Keller, PDC had a tireless champion of its mission. The son of an army general, Ira Keller had traveled extensively and lived in many places during his life. He had came to Portland from Chicago, where he was a Vice President of the Container Corporation of America, the largest paper and corrugated box company in the United States.

Keller was the archetype of the civic booster who had the best interest of the city in mind during his leadership. Although the City did not involve its citizens in many of their early projects, Keller took the initiative to go door-to-door on Sunday afternoons with his wife and grandson, Richard Keller. He hoped to sell the City's plan to the communities and determine their stance on current projects. Politically, Keller was sensitive to social issues and concerned with controversy; he never let anything go to a vote without a consensus.[24] Quiet, steely, and recognizable by his bow tie and red Cadillac, Keller served 13 years as chairman of the Portland Development Commission. His proudest accomplishment was the South Auditorium project, which he characterized, with typical enthusiasm, as "the greatest downtown project in the country."[25]

Despite Keller's energetic leadership, the pieces of the city's urban renewal program fell into place only slowly. But it was not because citizens were left to wonder about the urgency of the situation. The threat to the city posed by blight was, at least to municipal officials, clear and they did their best to make property owners aware of it. In a 1962 promotional piece from the Bureau of Buildings entitled "Meet Creepy Blight," the effects of blight on the city were graphically outlined. In the brochure, Creepy Blight, depicted as an ogreish cartoon character, speaking for himself, claimed,

> I destroy houses, neighborhoods, and cities. I'm not really happy unless I'm tearing down a house or two. You've probably seen my work in Portland–those places that look old before their time? Not too long ago they were in good condition. How do I do it?
>
> Simple! I make a little neglect go a long ways! You know–all those little things that are going to be fixed "tomorrow."
>
> Well, I get there before "tomorrow" comes! Don't they see me coming? Some do, but most don't! They don't call me "Creepy" for nothing, you know![26]

The South Auditorium Urban Renewal Area

The first project that PDC undertook was in a 109.3-acre area on the southern fringe of the downtown that became known as the South Auditorium Renewal Project, because the well known landmark, the Civic Auditorium, was within its boundaries. The South Portland Auditorium area had been eyed for clearance and redevelopment since 1950. John Kenward characterized the district as "blighted" and "economically isolated." The plan was to turn this old "stopover" neighborhood into a place of offices and businesses, a plan that was confirmed when the state highway department ratified a plan for a foothills freeway that would run across the southwestern and western edge of the downtown area. This freeway encompassed the urban renewal district within its bounds, making it natural to integrate South Portland into downtown.[27]

Initially, Keller believed public housing should be built on the periphery of the renewal district not within its boundaries; "...no residential housing was contemplated in the initial South Auditorium Redevelopment Plan," he said.[28] By 1961 a professional analysis by an outside consultant determined the area would best serve Portland as a mixed use of offices, apartments,

and retail stores. Between 1965 and 1966, the urban renewal area was expanded to include the southern end of downtown and a twenty-six acre extension between Market and Jefferson streets.[29]

With its $12 million in federal money, the City moved forward with its plan to reinvent South Portland. The project area was bordered by S.W. Market Street, Harbor Drive, Arthur Street and Fourth Avenue. The neighborhood was experiencing a notably growing crime rate, substandard housing, and crowding. Compared with Portland as a whole, South Portland had three times the juvenile delinquency rate, two and a half times the adult crime rate, and four times the number of welfare cases. The obvious answer to PDC was to acquire, clear, and re-build the entire area. At least 349 parcels were secured, 1,573 residents, including 336 families, and 289 businesses were relocated, and 445 buildings were demolished. The plan was to erect offices, commercial and retail services, high-rise apartments, a hotel, parks, malls, and transportation routes.[30] Keller foresaw South Auditorium serving commercial and light business uses.[31]

The relocation of the South Auditorium neighborhood has been likened to the upheaval of Vanport City in 1948. The neighborhood supported a variety of businesses such as drug stores, grocery stores, barber shops, taverns, fish and meat markets, and ethnic delicatessens[32] as well as churches and synagogues. Father James P. O'Flynn, an Irish immigrant, served at St. Lawrence Church at the time urban renewal swept through the neighborhood. In 1910 the church served an affluent congregation; however, by the 1930s Portland had changed and St. Lawrence became one of the poorer churches in the area.[33]

The South Portland Auditorium project area contained an ethnically heterogeneous lower class neighborhood. Most of the residents were older Jewish and Italian immigrants who had come to America between 1890 and 1920.[34]

The project perhaps had the greatest effect on some of the city's eastern Jewish community. The second and third generations of the immigrants, who had established the community, had begun to make their own migration—to the suburbs this time—but the infrastructure of an entire subculture remained in South Portland. On S.W. First Avenue there was

a kosher shopping district and, dispersed throughout the designated area, five synagogues, and the Jewish Community Center, a meeting and recreation place for the community, especially important to those in the younger generation who had left the core, but wished to remain in touch with their roots.

The project also had displacement effects on the area's Chinese, Greek, Italian, and Irish residents.

Many of the South Auditorium residents banded together, calling themselves the Property Owners Committee, and testified against the proposed plans. They were also concerned that eminent domain was unconstitutional and they worried the PDC was not paying a fair price for land.[35] However, ultimately, city leaders determined the area was seriously blighted, and urban renewal was the only known cure.

By 1963 all of the land had been cleared for new development. The relocation staff aided families who requested help in finding standard housing that included referrals of sale or rental property based on their specifications. The eight-person relocation staff offered "additional assistance" to relocated citizens, but in many cases they were refused.[36]

One of the most noteworthy and successful projects born out of the South Auditorium Plan was the Forecourt Fountain (now the Ira Keller Fountain). Hailed as one of the finest, the fountain was designed by Angela Danadjieva of Lawrence Halprin's San Francisco landscape architecture firm and is located in front of the auditorium.

Later renamed for Ira Keller, the fountain was a radical departure in the arts, a playful experiment in the plasticity of concrete and water that drew workers from the newly built nearby office towers at lunch and concert goers at intermissions of performances in the evening, in order to create a sense of community and excitement in the downtown district. It was, in fact, famously pronounced by Ada Louise Huxtable, the New York *Times* architecture critic, "the most important urban space since the Renaissance."

Despite the removal of a unique urban ethnic enclave and historic cast iron buildings, the South Auditorium project was hailed as a success. Keller summed up the local consensus: "the

project is particularly important because it has begun to stem the flow of middle and upper income families from the downtown area to the suburbs".[37]

Whatever its chief sponsor's view, the project was actually an ambitious first attempt to change the fate of the core city. Its slate of projects of multi-family housing, offices, business and jobs development, retail establishments, as well as parks and plazas, were fresh, exciting additions to the city. Its most notable ornament, the Forecourt Fountain, became a source of civic pride for years. Ninety-seven percent of the funding for the redevelopment in the district came from private sources. The result added $394 million of assessed property value to the tax rolls by 1974.

One aspect of the South Auditorium project has rippled through the history of PDC's urban renewal program. Financing of the project was done on a formula of two-thirds federal funding and one-third local match. The local match was generated by the tax increment financing method (TIF), authorized by voters in 1961. New construction and renovated buildings increase property values in urban renewal districts. Higher property values generate some additional property tax revenues. Under TIF, those additional revenues are used to pay off bonds for improvements to streets, sewers and other public facilities in the urban renewal district. Once urban renewal improvements are paid for, all tax revenues go back to normal property tax collection and distribution. TIF is used when a municipality identifies a renewal area suffering from stagnating property values and blight and designates that area as an urban renewal plan area. The renewal agency sells bonds to finance various projects. Projects are planned to address first the most pressing reasons for disinvestment in the area. Private investment leveraged by urban renewal improvements increases tax revenues to pay debt service on the urban renewal bonds. Private developers are attracted to the area. After the bonds are paid off, the city is able to enjoy the fruits of a vibrant area and a stronger tax base.[38]

The mechanism approved by the voters in 1961 had originally been used in Sacramento, California for its urban renewal program. Oregon was only the second jurisdiction in the country to employ it to fund urban renewal and South Auditorium was the first instance in the state.

This financing scheme is important because in the early phases of Portland's urban renewal program, such as South Auditorium, it was a significant source of money, providing the local match at virtually no cost to the jurisdiction. In later projects that were primarily oriented to rehabilitation of existing structures and neighborhoods, such as in Albina and Model Cities, it was irrelevant because such projects did not generate much new development. TIF was thus basically a tool of the large-scale redevelopment plans. In the1980s, however, when federal monies began gradually to disappear, it became the key financing component of PDC's redevelopment programs.

In the 90s, passage of Measure 5, which limited property tax rates, had a significant impact on PDC and other Oregon urban renewal agencies. Measure 5 dramatically reduced revenues to schools and most local governments. If a local government's tax levy would result in taxes that exceeded the limit, then the local government could not collect all of its levy. The amount of the uncollected levy was said to be "compressed." The City of Portland and Multnomah County experienced significant compression shortly after the passage of Measure 5. They voluntarily curtailed tax increment collections, foregoing urban renewal funding in order to finance other municipal budget items.

As property values in Portland naturally increased, the city gradually experienced less Measure 5 compression and reinstituted some urban renewal funding. In 1997, the adoption of Measure 50 constituted a tax revolution in Oregon. The Measure converted the state's tax system from a levy-based system to a rate-based system and added new limits on the rate of assessed value growth. The impact on urban renewal funding was two-fold: first, the Measure included constitutional protections for continued urban renewal funding with special levy authority, and second, it caused urban renewal funding to be paid from divisions of future taxes that other jurisdictions might otherwise receive, not from a general levy for urban renewal. For the first time, in general, the presence of an urban renewal plan did not increase taxes paid by a property owner.

The Albina Neighborhood Improvement Program

Meanwhile, TIF worked well for the South Auditorium project because it was essentially a land clearance operation. But PDC wanted to undertake a real neighborhood rehabilitation exercise in which an existing neighborhood would be transformed to prosperity. Fortunately, it was presented with an opportunity by the availability of new federal monies for rehabilitation of existing housing. Keller and Kenward chose the Albina neighborhood for this effort, with the development of the Albina Neighborhood Improvement Plan (ANIP) in 1961. A traditional blue collar section of the city, Albina after World War II became the area in which the largest concentration of African-Americans lived, although the fact that they composed only fifty percent of the district's population was thought to be propitious. Albina was neither as extensively nor as uniformly blighted as similar enclaves in larger cities throughout the nation, although the area was characterized by mixed uses of the land and, in pockets, its housing stock was seriously dilapidated.

The neighborhood consisted of pre-World War I housing, small African-American churches, and a handful of small businesses. The neighborhood had been deteriorating since the 1940s and was in dire need of improved streets, sidewalks, street lighting, and structural rehabilitation. The project area included 33 blocks bounded by Fremont, Vancouver, Mississippi, and Skidmore.

Historically, Albina had been in part an upscale suburb that responded poorly to the freedom of the automobile during the 1940s and 1950s. The "white flight" to the suburbs had left many large older homes to the poor and minority community members who did not have the wherewithal to keep them up to former standards. By 1957, at least 50 percent of Portland's African-American community lived in the Albina Neighborhood. Within five years two-thirds of the area housed an African-American population and the elderly.[39]

The Albina Neighborhood Improvement Project was Portland's first attempt at rehabilitating rather than clearing a neighborhood. Active Albina residents met with PDC representatives on a regular basis to determine the neighborhoods blighted areas and how to solve

those problems. Oliver Norville, a lawyer who worked extensively on bonding for Portland's urban renewal projects over a period of about forty years, remembered, "they were the first real active neighborhood group and committee."[40]

A year later the Albina Neighborhood Improvement Committee (ANIC) was established and chaired by Reverend Cortland Cambric. The newly-formed program organized citizens in efforts to improve Albina through home renovation, new sidewalks, improved streets, and tree planting. Funded by grants and loans, over 90 percent of the homes were "rehabilitated" by 1972. Although 117 structurally unsound homes were demolished, 56 affordable units, leased by the HAP, were built in the neighborhood. Forty-two buildings, that included 83 single and multi-family housing units constructed in the urban renewal area, were made possible by HUD and FHA programs.[41] In order to foster a sense of community, a five-acre park filled with playground equipment and a baseball diamond was built and dedicated to Dr. DeNorval Unthank, a revered civic leader of the African-American community and member of the Emanuel Hospital medical staff.[42]

Despite the efforts of the Model Cities program of the seventies and diligent neighborhood participation, Albina was still considered a problem area in the mid-1970s. Although much improved, many streetscapes were still considered eyesores. While PDC claimed over 90 percent of the homes were rehabilitated, most of the work was internal. The *Oregon Journal* reported in 1976, "The glaring decay is most prevalent along N. Williams and N. Vancouver Avenues and in adjoining streets extending as far west as Interstate 5 and east toward NE Union Avenue."[43] Even with the aesthetic problems of Albina, Portland businesses continued to expand northward into the district. The arrival of furniture and automobile shops in the late seventies and 80s threatened the African-American identity of the neighborhood.

Carl Abbott has written that the Albina effort was "devised by the agency and sold to the community".[44] However, PDC staff felt that it stepped back and let the neighborhood make the decisions. Ted Parker, director of the Albina ANIP, stated "The PDC does not plan, program or execute prior to expression of the wishes of the neighborhood."[45]

At its conclusion, the Albina project encompassed a 48-block area in which approximately $2 million was spent to rehabilitate and improve existing homes. The project eventually renovated 585 homes and also included repairs to streets, curbs, and sidewalks. Additionally, it paved alleys and paid for lighting to be installed in them.[46]

Portland State Urban Renewal

Another significant project took a number of years to develop. In 1958 Portland State College (PSC), reacting to special urban renewal monies set aside for universities, contacted PDC to seek urban renewal funding for the acquisition of additional land for the campus. Six years later, a feasibility study was completed and the project was approved for funding by the City Planning Commission and City Council. The application was then forwarded on to HUD and also approved. Without protest, the City Council approved the demolition of all buildings, except university structures, in the project area. The PDC planned to relocate 117 families, 835 single people, and 52 businesses. The urban renewal activities included site improvements and re-designing and landscaping the south park blocks. Several non-university buildings--Ione Plaza and Park Plaza apartments, the Campus Christian Center, and the Division of Continuing Education headquarters--were never acquired due to expense.[47]

The only concern voiced by the residents was over the demolition of apartment buildings. Some were concerned that the elderly and students would be competing for housing in the area. In response to this finding, a group of Portland State College students suggested keeping some vacant apartments for student housing. The student group, then called Portland Student Services, Inc. (now College Housing Northwest), was given the responsibility of managing 440 student housing units on campus.[48]

As part of the campus plan, the re-creation of the South Park Blocks cost $700,000 and involved a face lift of six blocks located between S.W. Park and Ninth Avenues and S.W. Mill and College Streets. The park was rehabilitated to create a more usable and viable area for the student

campus and residents. The park blocks were improved by adding over 50 percent more grass, an additional 107 trees, lighting, new diagonal walkways and benches.

The Portland State Urban Renewal Project turned out to be an early object lesson for Portland in the ambiguous impact urban renewal projects could have on the nature and character of the city. As Gordon B. Dodds, the school's historian put it, "a mixed blessing." In his book, *The College That Would Not Die*, he stated dismay among many about the loss of the "traditional" campus "....There was a range of lodgings....The local fraternities had their own quarters....The thirsty gathered at the Montgomery Gardens and the Chocolate Moose...The all-time favorite coffee shop was Bianca's, whose warm and colorful owner endured several moves as the campus expanded...."

Yet, without urban renewal, Dodds muses,

> it seems impossible a university could have emerged. There was no land for a campus anywhere else in the metropolitan community to be acquired at a price the state board [of higher education] could pay. The original land on the Park Blocks could never contain the buildings necessary for a growing college, let alone the university that would arise in the future. Only expansion within the area surrounding Park Blocks, and only expansion with the aid of the federal government, was possible. Portland State would either grow or wither downtown.[49]

Lair Hill

For a variety of reasons, a pivotal project in the early history of urban renewal in Portland was the Lair Hill Plan. Encompassed in twenty city blocks south of downtown largely between Barbur Boulevard and Corbett Street, Lair Hill was, during the 1950s, a neighborhood composed of 100 historic homes from the late 19th and early 20th centuries and approximately 36 commercial businesses. The City of Portland believed the Lair Hill neighborhood should be cleared and re-built with low density apartments or possibly large apartments for the elderly or Portland State University students.[50] In 1968 the clearance project for Lair Hill was scheduled, albeit as a low priority owing to its anticipated high costs. The plan would have included the

leveling of all of the buildings including the displacement of 20 businesses, 45 families, and 95 individuals.[51]

However residents and other community activists, including a young lawyer named Neil Goldschmidt, spoke out against the project and it did not go forward. In fact, in 1977 the City Council designated the Lair Hill neighborhood one of the first historic conservation districts in Portland. They found that the architecture and the community were historically significant to the people of Oregon.

Emanuel Hospital Urban Renewal

The Emanuel Hospital urban renewal project, begun in 1970, included 55 acres bounded by the junction of the Fremont Bridge and Interstate 5, North Russell Street and Williams and Vancouver Avenues. In 1963, PDC met with the Planning Commission, Emanuel Hospital, and other interested parties to discuss the possible urban renewal of Emanuel with newly available federal monies under the Hill-Burton program. The program was named for the Senate sponsors of the Hospital Survey and Construction Act of 1946, which, among other things, mandated funds to build access to community hospitals for low-income areas.[52] The plan was to remedy the substandard housing and poor environment in the area by expanding the hospital and constructing related facilities, parking, employee housing, offices and housing for the elderly.

During the Emanuel planning process, deep concern arose about the degree of citizen involvement. As a result Albina citizens, along with a member of the American Friends Service Committee, created the Emanuel Displaced Persons Association (EDPA) in 1970. Multiple meetings with PDC followed in subsequent years to discuss the dissatisfaction of many of the displaced citizens.

Yet, amid highly vocalized concerns about poor treatment and getting fair market value for homes and moving costs, many area residents welcomed relocation to newer and better homes. The Federal Relocation Act of 1970 provided programs that provided for purchase at fair home market value, moving costs, up to $15,000 if a comparable home could not be found, and up to

$4,000 to help renters with their rent or towards a new home. Initially, for instance, Mr. and Mrs. T.C. Williams were upset that they had nothing to say about their relocation. After they moved to a home twice the value of their old home the Williams were very happy. Indeed, PDC claimed, "On the average, the families in the Emanuel Project are moving into homes twice the value of their previous home."[53]

In April 1973, after 200 people and 20 businesses were relocated, Emanuel Hospital stopped work on the project because Hill-Burton funds were relinquished following federal budget cuts. Former residents expressed anger and frustration over their community being forever altered for a plan that never reached fruition.

The Emanuel community's disappointment in the process and the ultimate result of the project is easily understood and may well have been reflected in the social and economic conditions of minority residents on the city's eastside. Their disappointment also may reflect a confusing period in which urban renewal was implemented with public involvement in ANIP at the same time as substantive conflict between the Emanuel project managers and the public was occurring. The experience with this project would affect Portland's application of urban renewal for much of the next decade during the life of the federal Model Cities program.

Congress had passed the Demonstration Cities and Metropolitan Development Act of 1966, known as Model Cities, to allow inner city residents to manage and participate in programs to improve their own lives. Under the umbrella of this act, the Model Cities Program promised "supplemental funds and preferred treatment for existing federal programs such as urban renewal, in exchange for creation of a local mechanism for an integrated attack on the various social, economic, and physical problems of troubled neighborhoods."[54] However, the public was to have the last and decisive word as public participation became the standard of federal participation through Model Cities in urban renewal.

ERA OF ACTIVISM:

From Model Cities to Measure Five

"I really want this understood. We want people to talk at these meetings. The name of the game is public participation."

–E. J. Basket, of the Model Cities Citizen's Planning Board, quoted in Dennis West, "A Case Study of the Planning Process in the Portland, Oregon Model Cities Program," (1969), p. 68

"We just believed that if we worked hard enough and had enough money we were going to do great things."

--Elaine Cogan, Former Chair Portland Development Commission, quoted in D. T. Hemminger "The History of the Portland Development Commission," (1990), p. 28

Great social forces were at work in the 1960s and 70s, changing the relationship between citizens and their government. Beyond the Civil Rights Movement and the Vietnam War, the War on Poverty was turning the federal government's response to the physical manifestations of urban blight away from expert-driven urban renewal of the type of Ira Keller. Instead, a new approach, one addressing a broader range of associated social and economic problems that were defined in large part by those living in the affected communities, was the order of the day.

Specifically, changes in categorical federal urban renewal programs were encouraging a move from large-scale clearance projects to neighborhood rehabilitation. Low-interest loans and grants for low-income individuals had already come into play in the Albina Neighborhood Improvement Plan (ANIP). Model Cities and the Neighborhood Development Program (NDP) offered these tools for housing rehabilitation to a much larger part of Portland. Further, Model Cities and NDP went beyond ANIP in elevating public participation to the forefront of the urban renewal agenda. Along with the social changes of the time, the program's clear focus on citizen involvement in the planning process meant that public participation would now be a key

component for evaluation of federally-funded urban renewal programs. In light of these changes nationally, the earlier era of the largely unopposed clearance project had come to a conclusive end.

PDC now emphasized funding of neighborhood conservation projects. By 1978, the agency was funding 24 such enterprises and by then, PDC had rehabilitated more homes than any other American city.[55] This focus was greatly assisted by the increased availability of federal funds. The Housing and Community Development Act (HCD) of 1974 had made it possible, in conjunction with urban renewal, to assist twelve neighborhoods through the HCD Block Grant Program. In fact, from 1975 to 1978, Portland received $25 million. The money was used, as PDC put it, "for maximum impact on neighborhood livability...." This meant street paving, traffic control improvement, street lighting, tree planting, and improvements to community centers."[56]

From 1973 to 1979, when Neil Goldschmidt was Mayor, the city initiated or completed numerous planning and development projects that did much to define Portland's character around vibrant neighborhoods and a thriving downtown, a period that saw the creation of the Office of Neighborhood Associations and the implementation of the landmark Downtown Plan of 1972 as well as the establishment of the Downtown Waterfront Urban Renewal Area in 1974. Intertwined with this vision for the city, was a new view of urban renewal. It emphasized rehabilitation work in neighborhoods and work in downtown districts on amenities and parks, including numerous high profile projects in the Downtown Waterfront District. Other projects were geared toward economic development, such as the industrial park in the NW Front Avenue Urban Renewal Area that became home to Wacker Siltronic.

Much of the neighborhood work relied on some form of urban renewal funding, shaped by federal requirements that were changing with the times, and institutionalizing public participation and leading the turn away from the earlier paradigm of expert-driven planning.

From the standpoint of urban renewal, an important precedent was set by this era of activism. Early projects such as South Auditorium and the Albina Neighborhood Improvement Plan, while benefiting the city, had also been shaped and molded by specific changes in federal legislation, first favoring clearance, then rehabilitation or providing special funds for institutions like colleges.

What the neighborhood and Downtown projects of the 1970s established was that post-federal urban renewal in Portland could serve as a powerful tool to advance a local agenda, rather than simply to shape local agendas around funding opportunities. While the PDC would still receive some federal funds through Community Development Block Grants, these monies came through the city with few federal strings attached. The funding source that would drive urban renewal was TIF, which had provided the local match in the South Auditorium project.

Model Cities and the Neighborhood Development Program

Goldschmidt's political style was one of insurgency. Ironically, the era began fraught with a matching effort by the federal government to aid in wresting a measure of power from urban establishment leadership and handing a greater role to urban minority communities. That set a new tone in urban renewal and attacks on urban blight through the Johnson Administration's Model Cities Program. Model Cities provided funding to certain cities to supplement and coordinate existing federal funds, primarily urban renewal money received through the Department of Housing and Urban Development (HUD). This would go to a locally directed effort on a comprehensive range of issues affecting urban poverty, adding education and social services to traditional urban renewal concerns with physical problems of housing and redevelopment.[57]

This represented a dramatic shift in emphasis, requiring "widespread public participation" in every stage of the local programs. The legislation called for citizen boards to be elected from the project areas. These boards were typically provided with a consultative role and veto over projects. As a supplement, the money involved was tied not to population characteristics but to existing federal funding sources already at play in a locality. This meant that the resulting local implementation of the program focused on planning and process reform rather than creating dramatic institutional changes in the management of urban renewal.

In Portland, given the focus of the federal legislation, the implementation of Model Cities meant that the physical manifestations of urban renewal and redevelopment would largely continue

as a function of the PDC. Focusing on the planning process may be key to understanding the changes that occurred during this period of urban renewal in Portland.

Looking back on the 1970s, former Portland Development Commission (PDC) Executive Director Pat LaCrosse described Portland as a "process town" and said that "it became one during those days." The new federal program ensured that this would be taking place through a significantly different process that would lead the PDC and the city into new partnerships with the public.[58]

Model Cities and its legislative companion, the Neighborhood Development Program, required a quality and quantity of public participation that was well outside the realm of experience of any arm of Portland's government.[59] While the PDC had gained some experience with a neighborhood focus through the earlier Albina Neighborhood Improvement Plan, current practice on public participation would no longer be sufficient.

Model Cities targeted a four-and-one-half square mile area of Portland's eastside neighborhoods whose approximately 40,000 residents were almost 50 percent African-American. The program got off to a rocky start with protests over City Council's selection of a white executive director to head the program. Community sensitivities were further aroused by the ongoing controversy over the nearby Emanuel Hospital project. For many in the neighborhood this tainted any program associated with urban renewal or the PDC, which would serve as fiscal agent for Model Cities and staff for the program's redevelopment and housing activities. Model Cities' elected Citizens Planning Board, while not given any control over funds, was given a veto power over projects. No plans from the target area, which after some discussion included ANIP and the Emanuel Hospital Project, were to be sent to City Council without prior approval of the Board .[60]

Working with the Citizen Board, professional staff on loan or contract from the PDC, Planning Commission, and other entities including Portland State's Urban Center, drew up a first year planning document that created much debate among city and PDC officials. Saddled with an ongoing disagreement and discussion, the program saw three executive directors in its first three

years, with the result that it was put on notice from HUD that it was not progressing satisfactorily. Charles Jordan, later Portland's first African-American member of City Council, was the program's third and final director. Hired from Palm Springs, California, he recalls surprise when he arrived in town to interview with the Citizen Planning Board for the job of director. Television cameras and vocal protests greeted him, questioning plans to hire an outsider to head the program. That chaotic scene ended with protesters "kicking in the door and Board members diving out the windows." Such excitement notwithstanding, Jordan reveled in the vigorous participation from the neighborhoods involved in the program. "Different meetings were held sometimes seven days a week," where black and white residents worked closely together to deal with "...planning for...millions of dollars for people who had never had anything like this." Many of these neighborhood residents went to work for the program where they learned new skills, an investment that the city was able to recoup when they were transitioned into city employment at the end of Model Cities.[61]

As mentioned, there were actually two programs under the umbrella of the federal authorizing legislation. Model Cities dealt primarily with provision of a variety of educational, social, and planning services for the five-neighborhood target area which included Boise-Humbolt, Elliot, Irvington, King-Vernon-Sabin, and Woodlawn. The Neighborhood Development Program (NDP), staffed by the Portland Development Commission, handled physical redevelopment projects for each of these neighborhoods.

The bulk of project spending, which included almost $14 million in federal money, occurred from 1970-1975. This was disbursed with the approval of the Citizen Planning Board and through the neighborhood planning processes initiated by the program. However, departing from past urban renewal practice, Model Cities funding was not limited to capital improvements. Expenditures included youth development programs, expanded pre-school and education aides for schools, as well as technical assistance for neighborhood business in contract management and capital access. NDP funding included typical urban renewal expenditures for neighborhood infrastructure and new or expanded public facilities. Further, as was the case in ANIP, funds went

to citizens directly in the form of home rehabilitation loans and repair grants. Throughout this range of activities different neighborhoods expressed different priorities.

The Woodlawn Improvement Association, organized in 1969, represented one of the first neighborhoods to undertake NDP planning. Residents identified as major problems inadequate recreation areas and vacant land and abandoned houses. In response, their highest priority project was the creation of the nine-acre Woodlawn Park located in the center of the neighborhood next to Woodlawn School. Significant money also went to housing rehabilitation and to support the creation of new multi-family housing aimed at retaining a mix of ages and income levels in the neighborhood. Additional projects included street improvements, tree planting, and the construction of a new traffic signal at N.E. 15th and Dekum.[62]

Irvington was the other neighborhood to initially engage in NDP planning. Irvington's Community Association was organized in 1965 well in advance of Model Cities. Described in PDC literature as "...one of Portland's finest and most stable older residential areas...".[63] Containing much of the white and relatively middle class population who it was feared were departing the city, the neighborhood was clearly on the margins of more blighted areas. With no need for or interest in massive restructuring of the neighborhood, they looked for support for improving and maintaining their existing neighborhood structure. This involved significant use of housing rehabilitation loans, as well as the addition of supportive infrastructure like bus shelters and drinking fountains.[64] Former City Commissioner Gretchen Kafoury recalls getting one of the loans when she and her husband were young teachers living in the neighborhood.[65] They also sought increased street lighting throughout the neighborhood, as well as a traffic diverter at N.E. Tillamook and 16th. Further projects involved upgrading their park by building a baseball diamond, running paths, the installation of lighting, playground equipment, and additional ball facilities.[66]

Part of the original Model Cities area, King, Vernon, and Sabin neighborhoods began their involvement with NDP in 1972. Housing rehabilitation through grants and loans, and the replacement of existing substandard units were the number one priority of a coordinating

committee representing the three neighborhood associations. Funding also went to street improvements that saw the installation of traffic signals at N.E. 7th and Prescott, and N.E. 7th and Alberta. In addition to planning for the construction of a community center, the King Neighborhood Facility near King School, providing a range of social services and recreational activities, one of the major projects realized through the program was the redesign of Alberta Park and a construction of pedestrian bridge over Killingsworth in order to connect the Park and Vernon School.

Boise-Humbolt's neighborhood associations, which also began work with NDP in 1972 similarly prioritized housing rehabilitation and the replacement of substandard units. Rehabilitation grants and loans were a major activity. Further support went to street improvements, pedestrian crossings and tree plantings. Residents were also involved in improvements to Peninsula Park.[67]

Late In 1972, Eliot was the last of these neighborhoods to engage in NDP planning. The City of Portland had previously slated the neighborhood as a commercial and institutional area during the early to mid 1960s. Eliot had already been impacted through the Emanuel Hospital urban renewal project, excluded from the Model Cities program, and the Memorial Coliseum project which took place outside of urban renewal. NDP funds went into relocation services to address these issues. Rehabilitation and replacement of substandard housing remained a priority.[68]

The program's physical legacy can easily be seen in more than 1,000 rehabilitated homes on the city's eastside.[69] The successful precedent of this work solidified a turn by PDC toward repair and rehabilitation work in their use of later federal Community Development Block Grants and other private sources by PDC. This continues through various residential and commercial programs to this day.

An organizational legacy exists as well. The roots of Portland's image as a city of neighborhoods can be seen in Model Cities and what followed. For example, Southeast Uplift began in 1968 as an *ad hoc* coalition of neighborhood groups protesting their exclusion from the Model Cities target area. With the creation of the Office of Neighborhood Associations in 1974

during Neil Goldschmidt's term as Mayor, the city would come at one point to support and facilitate the activities of sixty neighborhood associations across Portland.[70]

Discussing the challenges this atmosphere presented to policymakers, Pat Lacrosse observed "you almost can't be seen in this community as both a neighborhood guy and a downtown guy."[71] After one term on City Council Neil Goldschmidt ran for Mayor in 1972 as a candidate of the neighborhoods. Although Golschmidt ran as a "neighborhood guy" talk of abolishing PDC over its handling of urban renewal, as was recommended in a City Club Report co-authored by one of Goldschmidt's chief aides, came to an end once he was in office.[72] Both downtown and the tools available through the PDC came to have a great significance in the work that would come to epitomize his term of office.

His first visits to the PDC met with a certain amount of trepidation among staff members.[73] Taking the reins of city administration, he asked for the resignation of most city bureau chiefs as well as the resignation of all members of the Planning Commission and PDC, two of whom did not comply. In the end he replaced a majority of PDC Commissioners, including Ira Keller and the Executive Director John Kenward, two men who over decades had a singular hand in managing urban renewal in Portland. To head the PDC and recast its most powerful financing tool, urban renewal, Goldschmidt brought in fellow Eugene native J. David Hunt whose background and interests were in downtown development, to replace Kenward as PDC Executive Director.

Goldschmidt also created the Office of Planning and Development (OPD) This office would review and coordinate citywide policies, comprehensive planning, and development decisions of the PDC, Housing Authority, Planning Commission, and Bureau of Buildings.[74] Mike Lindberg, OPDs second director, described his functions as coordination and management. Acting in that capacity, he created an Office of Policy and Research, under a young planner named Don Mazziotti, to work on long range planning problems on a variety of issues.[75] (Mazziotti returned to Portland after working in Washington, D.C. and other U.S. cities and is PDC's current Executive Director.)

Controlling project selection for future urban renewal areas, these changes significantly enhanced the capacity of the city to shape its own urban renewal agenda when categorical federal funds and their ability to influence local plans for urban renewal came to an end.

Bringing new coordination across policy spheres was also significant in developing what Carl Abbott describes as a "population strategy," that reacted to a flight of middle-class families seen in the 1970 Census and the impact this would have on the city budget and the quality of neighborhood life.[76] The cornerstone of this strategy would be advanced through the implementation of the landmark Downtown Plan of 1972. The vital center city would protect property values in adjacent districts, as well as serve and be supported by a mix of residential neighborhoods. The resultant rising property values all around would support enhanced public services. This would in turn stimulate a virtual circle of growth, renewal, and redevelopment for the downtown and neighborhoods alike.

This vision was sold not only to Portland, but the surrounding region, which would participate in public transit when the Mt. Hood Freeway was "traded" for light rail. Another audience, planning professionals across the nation, would also become enthralled with the intersection of Portland's downtown, neighborhood, and transportation planning. John Southgate, Portland Planning Bureau veteran and current manager of PDC's Interstate Urban Renewal District, noted the watershed represented by these events, "...stopping Mt. Hood Freeway w[as] an expression that there would be no more Emanuels or mega-projects...the focus on downtown was embellishing, not destroying...."[77]

The Downtown Waterfront Urban Renewal Area

Urban renewal enters this process in 1974 with the adoption of the Downtown Waterfront Urban Renewal District covering approximately 300 acres of the center city from Union Station to the Marquam Bridge. Downtown's deteriorated conditions were described by Barbara Bennet, a secretary at Centennial Mills, Inc. located along Front Avenue in 1964, "The pavement is in unbearable condition-my poor car-the approaches are almost impassable due to trains, there is a

tremendous amount of traffic at commuting hours, and besides all of this, there is no bus service in case we can't drive."[78] Responding to clogged traffic arteries, inadequate public transportation, and questionable air quality urban renewal dollars funded projects and leveraged additional private and public dollars for a dizzying array of projects that addressed the coherent themes of turning downtown into an area that favored pedestrians and human scale activities.[79]

Among many projects created in the district, urban renewal dollars supported new public open space in the construction of Pioneer Courthouse Square and development of the former Harbor Drive into the Governor Tom McCall Waterfront Park which allowed public access and family events along the west side of the Willamette River. Support also went to new development in the South Waterfront, called RiverPlace. The nationally acclaimed project included a mix of new housing, retail and office uses, a marina, hotel and fitness center and helped reclaim a former industrial area along the Willamette Riverfront.

The Pioneer Place Project in the district is a significant example of PDC's focus on a strong downtown core. The project was designed to respond to a need to revitalize the downtown in a systemic way. Businesses were hesitant to locate in the downtown because of an absence of services for customers and employees, and service businesses would not locate downtown because of a lack of customers. The PDC assembled and cleared land for the four block development and worked with the Rouse Company to build a retail and office complex. PDC maintained a high level of design control, and control over the identity and nature of business conducted by tenants of the project. The goal was to create a unique attractor that would draw members of the public downtown for shopping and recreation during the evenings and on weekends, to create a base of customers who would support service businesses downtown. The project is one of PDC's more notable successes, both for economic activity on the premises and for the synergistic effects it achieved in the downtown business and retail market.

Other major projects included three new parking garages supporting retail development and mass transit facilities, such as the expansion of the transit mall and improvements to Union Station. Additional money went into Historic Restoration Loans and Historic District improvements and

Multi-Family Housing Rehabilitation and Downtown Housing Preservation for low-income and special needs housing.[80] The district has helped generate a $618 million increase in assessed value since its formation.

Northwest Front Avenue Urban Renewal Area

A contrasting example to the deliberate integration between planning and downtown urban renewal appears in the economic development project undertaken in the Northwest Front Avenue Urban Renewal Area established in 1978. In 1977 Governor Robert Straub, Mayor Goldschmidt, the Department of Environmental Quality and other City representatives visited Wacker Siltronic, a German semiconductor manufacturer presenting an invitation to construct a plant along the Willamette River within the Portland city limits.

The project provided $14 million in tax increment financing for road, sewer, and site improvement creating a multi-tenant industrial park. The move received some criticism, occurring as it did at the same time that Hillsboro was recruiting California-based chip maker Intel without the use financial incentives. This example represents an early lesson in the cost of so-called "brownfield" redevelopment, land burdened by past industrial use, versus "greenfield" development in suburban locations. In addition to returning more than ten times Portland's urban renewal investment in enhanced property tax value, the plant provided 800 jobs. Jobs were made available to unemployed Portland residents through the region's first, "first-source" hiring agreement.[81]

The projects of this era differed from earlier urban renewal not only in avoiding the controversial neighborhood displacement of earlier projects. They also represented a departure from the federal funding and regulatory umbrella, and were funded largely through locally issued tax increment financing (TIF) bonds. Following the departure of Goldschmidt in 1979 to head Jimmy Carter's U. S. Transportation Department, urban renewal continued through TIF Bonds with varying degrees of success and enthusiasm under Mayors McCready, Ivancie, and Clark.

Examples include moderate to affordable downtown housing as a part of the Central City Plan in the South Park Blocks Urban Renewal District formed in 1985.

The South Park Blocks Urban Renewal Area

The South Park Blocks Urban Renewal Area comprises approximately 161 acres in the western half of downtown and current redevelopment there focuses on a broad range of housing, parking to service older buildings, retail shops, cultural attractions and addressing transportation challenges.

Urban renewal was also used, in a time of statewide economic stress, for economic development projects that were far dispersed from Portland's Downtown. Examples include job development in the Airport Way Urban Renewal District, facade, streetscape and infrastructure in the Central Eastside and Convention Center Urban Renewal Districts.

The St John's Urban Renewal Area

This period saw not only the closeout of categorical federal funding for urban renewal in 1975, but also the decline in other direct federal support for housing and economic development by 1980. This played a significant role in at least one of Portland's urban renewal districts. During the late 1970s, responding to a general business decline in the St. John's area, the PDC was carrying out a series of commercial revitalization plans. By 1978, they had established a new traffic circulation system, purchased street furniture, rehabilitated the old City Hall and Fire Station. Plans were also in development to construct a Central Plaza and Welcome Island, covered public tennis courts, and improve the St. Johns Community Center.[82] It was hoped that a combination of public and private investments would revive the area into a booming business district. The complete vision was never realized. Along with high interest rates that undermined private sector interest in the project, the end of federal Urban Development Action Grants crippled the public funding scheme underlying urban renewal plans for the district.

Portland's urban renewal program ground to a conclusive, if temporary, halt in 1990 with the passage by state voters of Measure 5. Its property tax rate cap forced the TIF mechanism underlying urban renewal financing off the table until later initiatives revived it in a new form. Urban renewal and TIF may not have driven the Measure 5 debate. In fact it fell to the Oregon Supreme Court to finally interpret the effects of Measure 5 and rule that TIF fell under the Measure 5 limits. This setback marks an important milestone in the evolution of urban renewal and a fitting place to mark the close of this era of activism.

THE LATE 1980s, the 1990s AND BEYOND:

PDC and the Post-Modern Paradigm of Portland Planning

"The best future for a community is the one it plans for itself."
–Sheila Holden, quoted in "Interstate Corridor Plan," (16 August 2000), p. 3.

In the late 1980s and 1990s, PDC's urban renewal agenda took on characteristics which, in retrospect, harmonized with the evolving core values of the planning profession which, in turn, responded to the post-war history of urban America. The impact of the change on the nature and shape of PDC's renewal initiatives in the most recent period makes it possible easily to differentiate the projects of the late 80s and 90s from the two previous eras.

There were three distinct strands to this evolution: 1) the development of a mixed use planning philosophy; 2) the necessity of reliance on entrepreneurial vision with strategies to identify and shape projects; and 3) the recognition of the ever growing necessity of true community involvement in renewal programming, coupled with the implementation of practices to effect it.

Where mixed use was concerned, by the end of the 80s, urban planning had come to a different vision of what the good city is than it had worked from previously. The basis of this vision can be described as a devotion to community and reverence for "mixed use" projects as the necessary ingredients of successful, healthy cities. The straightforward slum clearance and bricks-and-mortar approach to redevelopment, which was the core of the planning agenda of the fifties, sixties, and seventies–that is, the classic attack on blight–became obsolete, while the sense of the neighborhood or the self-contained community as the supreme planning value, drove to completion many of the projects undertaken in this period.

Underlying the theory of mixed use was the basic assumption that the compact, self-contained, self-sufficient neighborhood or community providing single- and multi-family housing, employment, pedestrian-friendly streets lined with key retail establishments, such as groceries and

dry cleaners, would afford a high level of intimacy and interdependence among residents and business owners. This ambience would be conducive to a sound micro-economy, lower occurrences of crime, and greater neighborhood cohesion which, in turn, would induce better civic health generally. Later planners added to the mixed use other considerations such as keeping vehicle miles of travel below the average; contributing to the area's jobs-housing balance; mixing uses at the finest grain the market would bear and including civic uses in the mix; placing higher density and senior housing near commercial centers, transit lines, and community facilities; creating neighborhoods with well-defined centers and edges; offering life-cycle housing; supplying affordable housing for moderate and low-income households; tapping government housing programs to broaden and deepen the housing/income mix; and mixing housing to the extent the market could absorb.[83]

The second strand, entrepreneurism, had roots in developments nationally and locally in Portland itself. By the end of the twentieth century, the nature of Portland, like many large American cities, had changed. Although there is controversy among economists and other social scientists about the nature of the "new economy" on which the United States supposedly operates today, it is clear that urban economies have undergone a metamorphosis. By the late 80s and 90s, Portland and other cities were no longer the industrial centers they had once been. Rather, their employment mixes had become more reliant on service and technical jobs than ever before. The middle class exodus to the suburbs, as well as the loss of federal monies for urban areas as Democratic and Republican administrations alike from Nixon through Clinton withdrew funds in the processes already discussed, forced cities into new strategic initiatives to keep themselves viable. Under increasing fiscal pressure to provide resources for citizen needs and their demands for services, jobs, social stability, and cultural amenities, cities were forced to find ways to strengthen their overall economic footing and widen and deepen their tax base. Whatever they chose, it was obvious that the devices had to be resistant to economic flux and political vagaries. The most logical and attractive options typically involved making the city once again a magnet for the affluent middle class and for desirable businesses, largely by making it possible for the target

residents to live in safe, attractive, and affordable environments and to work nearby in accessible districts with the amenities necessary for full productivity and profit. This is an entrepreneurial model in which cities, as one planning scholar Edward Blakely, has described it, "compete for talented and skilled workers as the resource to attract or nurture the new economy."[84]

In order to pay for the initiatives to turn the city in this new strategic direction, municipal governments across the nation became more entrepreneurial in more than just the search for human capital. In order to embark on such a venture, they had to identify, aggressively seek, and tap into the funds available to attract the businesses that would draw these desirable workers and residents. Increasingly, this has meant using urban renewal as a vehicle for economic development. Two examples of this elsewhere are what Blakely calls the "amazing redevelopment of San Francisco's South of Market area and Greenwich Village in New York City's so-called Silicon Alley," where the sought-after workers have been added to the city's work force, as much by transforming declining neighborhoods into residential lifestyle magnets as by the attractiveness of the available jobs.[85]

Following this approach in Portland, as elsewhere, has largely meant transforming the traditional urban renewal agenda into one of redevelopment by leveraging private investment, along with funds available from federal or other sources applicable to the ultimate goals of the city to sustain itself in the "new economy."

But more than a structural change in the economy, let alone in planning philosophy, occurred as PDC and the city of Portland moved toward the end of the twentieth century. There were other signals that complicated the picture of how urban renewal would, or for that matter, could, be done in the city. They suggested the necessity of a more aggressive, entrepreneurial tack. A significant one was the stern challenge to the entire concept of urban renewal financing that took shape in Oregon's political milieu in 1990. In the general election of that year, voters passed Measure 5. Measure 5 limited increases in property tax rates and cut property tax revenues to most local governments and schools substantially. It passed at a time when, in Portland especially, property taxes seemed to be going up precipitously. Passage of Measure 5 had a crippling effect on urban

renewal bonding when the state Supreme Court ruled it applied to property taxes collected to pay off urban renewal bonds.

The situation was made even more complex when, in 1993, voters decisively rejected Measure 1, an attempt to exempt urban renewal bonds from Measure 5's strictures. In 1996, voters passed Measure 47, a new property tax limit on the rate of growth of assessed value. The confusing language of Measure 47 exempted taxes used to pay bond debt, but didn't define bonded indebtedness leaving questions about its effects on urban renewal bonds. Measure 47's effects were so unclear that legislators and the Measure 47's author, Bill Sizemore, agreed to a revised version – Measure 50 – sent to a statewide vote and approved by voters in April, 1997. Measure 50 immediately reduced tax revenues to 1995-96 levels less 17 percent and limited the growth of property tax assessments to three percent a year in most cases.

In the end, the passage of Measure 50 minimized the impact of Measure 5 on urban renewal funding. In fact, by the time the City Council had approved the Gateway Project in the summer of 2001, it was the fifth new district in the city, established following the passage of Measure 50. Furthermore, it is one of ten current districts engrossing a total of 12.3 percent of the city's land area.

Another dimension of the entrepreneurial ethic that PDC embraced in the 90s is the absence of a comprehensive social agenda for its urban renewal programming. One reason for this is the lack of a prominent figure with a missionary zeal for urban renewal as a primary tool for eradication of blight as the vector of poverty, social dislocation, or neighborhood disintegration. In the conservative political environment of the 90s, there was little political advantage to be gained from such approaches. The prevailing political culture of the decade nationally, statewide, and locally dictated an approach to such problems that would not smack to voters of profligate expenditures of tax money.

The third strand of urban renewal in the 90s was community involvement. As the decade unfolded, citizen participation in the decisions made by government that affected daily life became an article of faith in planning practice. There were several significant historical reasons

for this. One was that the nation's political culture had crossed a great divide in the perception of how democracy should work in the roughly twenty-year period between 1954 and 1975. Nationally, this time span encompassed the arc of the civil rights movement, the entirety of the American phase of the Vietnam War, and the Watergate episode. Each of these events conveyed powerful lessons to citizens, political theorists, reformers, and officials about the arrogance of power, governmental deceit, and the importance of scrutinizing authority and official institutions. Government agencies at all levels suddenly became subject to energetic questioning by citizens who also demanded and achieved, especially at the local level, integration into the decision making process in many phases of official functioning.[86]

In urban planning, a whole school of thought and practice grew up around the concept of citizen involvement. In Oregon, because planning has become such an important tool of the state's political culture, citizen participation has become a routine, if carefully nurtured, feature of economic development, land use planning, and urban renewal activities. The impact these developments had on the urban renewal function were readily apparent throughout the decade of the 90s in Portland's renewal programming.

The Central Eastside Urban Renewal Area

Perhaps the first plan that symbolized this shift in focus was the Central Eastside project adopted in 1986. The plan encompasses a 681-acre warehousing, distribution, and manufacturing area near the Willamette River, employing some 21,000 persons drawn from four adjacent neighborhoods. The narrative describing the plan indicated the transition. It called for "maintaining a good business environment for existing businesses," including early redevelopment activities in a district in a part of the area known as Produce Row. The first activities involved the expenditure of $9 million of new investment and 275 new jobs. Almost $1 million was invested in public street and access improvements to facilitate car travel to the new campus of the Oregon Museum of Science and Industry (OMSI), formerly the Station L power generating site of the utility Portland General Electric. More than fifteen acres of vacant or underutilized land was also

earmarked for industrial and commercial redevelopment within the district.[87] The Central Eastside undertaking clearly marks the movement away from the more socially focused projects of the two earlier stages of urban renewal to one focused on creating and maintaining jobs in the targeted area. The focus was on business development assistance and redevelopment financing. For example, one project in the area took a four-block area employing six people and redeveloped it into a retail and employment center employing 121. Other current objectives for the area include transportation and pedestrian safety improvements for improved traffic circulation, extensive streetscape improvements, and the creation of the Eastbank Esplanade on the eastside riverfront. The Esplanade is a response to the east bank section of the I-5 freeway, the placement of which, hard by the river, had otherwise compromised all attempts over the years to create for the eastside, the recreational opportunities available at Waterfront Park on the Willamette's west bank. The Esplanade was made to extend from the Steel Bridge to OMSI, and was completed in 2001.

Airport Way Urban Renewal Area

Another significant project illustrating the trend in PDC's increasing view of urban renewal as a planning and economic development tool, was Airport Way. The Airport Way plan was adopted in 1986. The purpose of the project was to increase the city's inventory of developable industrial lands by providing planning, coordination, and infrastructure for the 2,780 acres within the project's boundaries. By 1992, the main access road had been extended four miles to the east of the airport, and also widened. This opened up 1,000 acres of new land for development and resulted in $6 million in private investment. Projects included water, sanitary sewer, electric, telephone, and storm sewer facilities. More than 250,000 square feet of improvements were constructed by that year. It included new warehouse, distribution, manufacturing, and office facilities.

As the narrative on the objective of the revitalized project in the "Adopted Five Year Business Plan, 2000-01 through 2004-05" stated it, the project was to

> facilitate development of Columbia Corridor as a major employment center with a diverse economy by attracting and retaining business and by supporting development of infrastructure, transit and protection of natural and cultural resources. Encourage employers to provide opportunities to residents of economically disadvantaged communities.[88]

From 1994 to 2001, $30.4 million was invested in the public improvements in the area. This, combined with the private investment, helped generate a $516.7 million increase in assessed value by 2001. Perhaps the most significant project in the Airport Way Urban Renewal Area is the 5.5 mile extension of the region's light rail line to the Airport and a complementary mixed-use development of hotel, retail and office facilities near the Airport section of the line, called CascadeStation. Employment in the Cascade Station project is projected to be 8,000 by the year 2020. The light rail line to the airport opens in September 2001.

Oregon Convention Center Urban Renewal Area

Another plan, adopted in 1989, that reinforced the theme was the Oregon Convention Center Urban Renewal Area. The goal of the plan is to bring economic development and employment opportunities to the area surrounding the Convention Center, by capitalizing on the activity it generates. Key projects there included the construction of the Oregon Convention Center, several new multi-family housing projects and public improvements constructed to support the new Rose Garden Arena.

The Convention Center Plan was amended in 1993 to add the commercial area along Martin Luther King, Jr. Boulevard to Portland Blvd. Lines were purposefully drawn to exclude residential properties because of residents' negative perceptions of urban renewal stemming from the Emanuel project and other efforts. When the area was incorporated into the plan, it included some of the highest violent crime rates in the city. One of the areas was referred to as "Crack Alley" because of the volume of drug trafficking activity in the neighborhood. "Crack Alley" is now the location of several affordable housing projects, and successful retail and services development called Walnut Park, a community policing office, and the local Boys and Girls Club. The

incidence of police activity decreased by 24 percent from 1990 to 2000. Improvements were also made to the boulevard itself to create a more safe and inviting pedestrian environment. Other projects in the area, accomplished in conjunction with PDC's administration of block grant funds, include loans to small businesses for equipment, facility improvements, and new storefronts and new or rehabilitated housing units up and down Martin Luther King, Jr. Blvd. Since its formation assessed value in the Oregon Convention Center Urban Renewal Area has increased by $424 million.

The River District Urban Renewal Area

The importance of economic development considerations was also seen in the River District Plan, which closely resembled the South of Market and Silicon Alley projects mentioned above. A westside area that abuts the Willamette River to the east and I-405 to the south, the River District is nestled near the downtown core area. The objective of the plan is stated in language in keeping with the entrepreneurial agenda and the mixed-use paradigm:

> to generate new private investment and an improved tax base on vacant and underutilized land by developing a wide range of new housing units, new commercial opportunities and open space, all oriented to the Willamette River. To retain and enhance Union Station's function as a critical public asset and transportation center for the regional transit system. To help foster a "24-hour city" environment for residents, visitors, and employees.[89]

Adopted in 1998, the plan features the construction of the Central City Streetcar on N. W. 10th and 11th Avenues, and N. W. Lovejoy and Northrup Streets circulating through the district's core (completed in the summer of 2001). It will eventually have three new parks and 5,000 new housing units in a mix reflecting the income demographics of the city generally, with density of more than 100 units per acre. Some 2,000 to 3,000 of these will be affordable units. It will be, in the description of PDC's Five Year Plan, "a vital mix of multi-family housing, major office facilities, regional attractions [such as the new Chinese Garden on SW 3rd Avenue and Everett

Street in Old Town], supporting service, retail businesses, parks and open spaces."[90]. Private development in the district has occurred at a rapid pace. Since 1994 more than 3,000 new housing units have been built in the district—more than halfway to the 20-year goal of 5,500 new units. In its first two years the River District Urban Renewal Area growth in assessed value was $182.2 million.

The Lents Town Center Urban Renewal Area

Yet another urban renewal area, Lents Town Center, adopted in 1998, is perhaps most symbolic of the post-modern planning paradigm. Its objective, as part of Metro's 2040 Framework Plan, is to make the Lents district, a distressed area in Southeast Portland, into a key Town Center for the Portland metropolitan region. Meeting this goal includes plans for transportation management in the area's business district, a redevelopment implementation strategy that will include revitalization projects for the area's businesses, a street paving program for Lents neighborhoods that will include sidewalk and intersection improvements, a housing strategy involving financial assistance programs to support the purchase, and the rehabilitation of homes, rental repair, and the development of new housing stock. The Lents plan also calls for a redevelopment strategy for the Springwater corridor area, the spine of which is an abandoned rail line converted to hiking and biking, which runs to Gresham. The Springwater Trail is part of a 40-mile loop that will ultimately connect to the riverfront. Finally there is also a parks and recreation capital improvement program. Citizen involvement in the Lents urban renewal efforts has been intense and extensive. It was PDC's first urban renewal area to exclude the right of condemnation from the plan at the insistence of the citizens on the urban renewal committee.

The North Macadam Urban Renewal Area

Yet another significant plan is South Waterfront/North Macadam, adopted in August, 1999. In this area PDC is seeking meaningful commercial and housing development in this westside Willamette riverfront locale. While the River District's focus is on housing development near

employment centers, North Macadam's emphasis is on creating a new center for jobs. It is hoped that more than 10,000 jobs will be created and that Oregon Health & Science University will be a major employer there with an expansion of its Marquam Hill campus.

Formerly an industrial area, the North Macadam Urban Renewal Area encompasses 417 acres with 206 acres of developable land. An extensive public involvement process led to the development of a Framework and Urban Renewal Plans that deal with transportation, open space, and greenway problems, and issues of creating a new neighborhood in the heart of the city on former industrial lands. The implementation of the plan began in 2000.[91]

The Gateway Urban Renewal Area

Another urban renewal area with a high degree of citizen involvement is Gateway Regional Center. The ambitious plan is primarily a redevelopment package designed to turn the area, the perimeter of which includes roughly I-84, N. E. Halsey, and N. E. 102nd and 122nd Avenues, into a regional center with improved housing and employment, as well as greater recreational and cultural opportunities. Gateway contains the highest density zoning designations in the city–CX, EX, and RH.[92]

The Gateway area is projected by 2015 to be "the most accessible location in the Portland metropolitan region," as PDC's five-year plan document put it.[93] The district is served by two interstate freeways, light rail transit to the west and to the east, and will have light rail service to the airport. Thirteen bus lines also converge on it. It has become, as a result, a focus of new investment and development. Since 1999, over 1,000 new housing units have been built or slated for construction–a tenfold increase compared to the total of the period from 1989-99.[94]

The area's redevelopment strategy further includes the creation of public spaces, transportation improvements, design enhancements to stimulate pedestrian traffic, and other projects, including an education center and a performing arts center that "demonstrate Gateway's viability as a livable center of activity."[95]

The process of creating the Opportunity Gateway Concept Plan and Redevelopment Strategy, the blueprint for the transformation of the region that these projects embody, was accepted by PDC and the City Council in February 2000. The Concept Plan was the product of two years of public meetings attended by hundreds of residents, business owners, and workers in the Gateway district.

PDC and the City Council adopted the Gateway Plan June 21, 2001. Implementation of the framework plan is supervised by a 40-member Program Advisory Committee, appointed by Mayor Vera Katz.

The intrinsic significance of 2040 to the Gateway and Lents framework plans indicates a new dimension to PDC's urban renewal activities. They suggest that the commissioners and staff have begun to think of the urban renewal tool as a part of a regional strategy for the metropolitan area. The 2040 Framework Plan is the preferred model of growth for the Portland metropolitan region, identified by its regional governmental body, Metro. The intrinsic significance of 2040 to the Gateway and Lents framework plans indicates a new dimension to PDC's urban renewal activities. They suggest that the commissioners and staff have begun to think of the urban renewal tool as part of a regional strategy for the metropolitan area. The 2040 Framework Plan's Growth Concept includes a major role for mixed use centers. It states

> Mixed use centers inside the UGB [Urban Growth Boundary] are one key to the [2040] Growth Concept. Creating higher density centers of employment and housing and transit service with compact development, retail. Cultural and recreational activities, in a walkable environment is intended to provide efficient access to goods and services, enhance multi-modal transportation and create vital, attractive neighborhoods and communities....Regional centers serve large market areas outside the central city, connected to it by high capacity transit and highways. Connected to each regional center, by road and transit, are smaller town centers with local shopping and employment opportunities within a local market area. Planning for all these centers will seek a balance between jobs, housing and unique blends of urban amenities so that more transportation trips are likely to remain local and become more multi-modal.[96]

The Interstate Urban Renewal Area

Finally, one interesting project which, in many important respects, looks Janus-like back to the era of the original social engineering imperatives of urban renewal, while, at the same time, remaining focused on the current values mainly of economic development, is the Interstate Corridor Urban Renewal Area which was approved August 16, 2000. It covers an area that encompasses nine north and northeast neighborhoods from near the Rose Quarter arena to North Portland Harbor, making it the largest redevelopment project in the city's history at 3,710 acres. As the Interstate Renewal Plan document puts it, the district is "a diverse and fascinating collection of neighborhoods."[97] However, it also soberly notes that "these areas suffer from a variety of characteristics which, taken together, form a compelling argument for the formation of an urban renewal area."[98]

Interstate's sprawl encompasses nine inner north and northeast neighborhoods (ten if a part of King where activity will occur is included), including such landmarks as the I-5 freeway and the Columbia Slough.[99] Over the 25-year life of the project, it's maximum tax increment funding could be as much as $335 million in funds for its various elements. Again citizen involvement was extensive in the formation of the urban renewal area. Inasmuch as the project area covers some of the city's most heavily African-American areas and has one of the highest concentrations of minority and low-income citizens in its census tracts, and at the same time attempts to accomplish so many different things, it is a striking microcosm of the evolution in philosophy that PDC has undergone over the 43 years covering South Auditorium, Albina, and Emanuel and Model Cities, the neighborhood movement, and the era of economic development of the last two decades. In that sense, the Interstate plan seems to bring PDC and the enterprise of urban renewal in Portland full circle. Its general principles reflect an all-embracing and ambitious agenda including outreach, in that, in the language of the guiding document,

> the planning and implementation of the Interstate Corridor Urban Renewal Area will be founded on a thorough, ongoing, and inclusive community involvement process. This process will build capacity by providing specific, consistent, and culturally appropriate

opportunities for all community residents, businesses, and organizations to access and impact urban renewal decision-making, and by providing educational resources necessary to an informed decision.[100]

The plan document also promises to benefit primarily

existing residents and businesses within the urban renewal area through the creation of wealth, revitalization of neighborhoods, expansion of housing choices, creation of business and job opportunities, provision of transportation linkages, protection of residents and businesses from threats posed by gentrification and displacement, and through the creation and enhancement of those features which enhance the quality of life within the urban renewal area.[101]

The Interstate plan also calls for close cooperation and integration of efforts with the advisory committee, TRI-MET, the Oregon Department of Transportation, other agencies, and the private and nonprofit sectors in the development of the Interstate light rail line—the key project of the urban renewal area. The plan intends to "optimize light rail investment by ensuring that the entire area benefits...by the creation of catalyst projects near light rail stations and other key locations..;" and to focus investment along Interstate.[102]

The Interstate project is an index and microcosm of the promise and pitfalls of urban renewal in the 21st century. Oregonians, no less than other Americans, have learned over the last half century that the economics of public policy can be a zero sum game and that therefore care must be taken in making even the most obviously positive expenditures, because good done in one venue might mean harm in another. Thus, the commissioners of Multnomah County, for example, were troubled in 2000 by the Interstate proposal. While the municipal government manages the infrastructure of Portland, the county is responsible for the region's human needs. So the district's frozen base during the life of the urban renewal area would, they said, profoundly shape the county's ability to deliver community services. The county asked the Portland City Council to provide it $2 million per year to help cover the expected shortfall.

Many residents were opposed to the light rail line and protested its construction at the various community meetings. In addition, some in the community were suspicious of the project because of the history of urban renewal in the area and feared gentrification and displacement would result. Harold Williams, head of the Chamber of Commerce of Portland in 2000, at one point contemplated initiating a lawsuit to halt it. Recalling how North Portland had changed in the 41 years since he had moved into the area before I-5, the Memorial Coliseum, and the convention center were put in and prior to the three urban renewal districts, he noted, "...it wiped out the whole business district. We had restaurants, clothing stores, pharmacies...small business shops, barbershops, nightclubs.... And they were all wiped out–like...a breeze just came through and we no longer exist!"[103] Williams then went on to serve as a valuable and vocal member of one of the implementation committees for the Interstate urban renewal area. The Interstate plan also excludes the right of condemnation as a result of citizen concerns.

City Council member Charlie Hales, speaking through Ron Paul, his Executive Assistant, expressed his support of the project: "By rejuvenating an area, both through a transit system like the Interstate Light Rail and through its economic development efforts that will parallel that, the overall tax base over time will certainly increase to everyone's benefit."[104]

Felicia Trader, then PDC's Executive Director, suggested in August 2000, that Interstate was "more a traditional community development project" than an urban renewal district in which land is combined for housing projects, industrial uses, or retail complexes. "We are looking to help people living there now to improve their circumstances. That will happen by creating jobs and by increasing the value of the houses that are already there, and by providing new affordable housing."[105]

Carl Abbott, commenting on Interstate, seconded this view, noting that the proposal reflected a more conservative approach as well as the continuing evolution of renewal as a tool for emphasizing economic and community development rather than the "intense block-busting developments" of an earlier day.[106]

The Interstate Plan, however, suggested to some both the maturation and the dangers of urban renewal as an implement of community development. As a result, some observers and students of urban renewal and of PDC were not as sanguine as Hales. Oliver Norville, for instance, observed that the largeness of the district worked against other projects. Reporting on his concerns, the *Oregonian* noted in the summer of 2000 that the size of Interstate would bring the city "closer to a state-imposed limit on renewal districts, which could restrict some renewal options in the next several years."[107] Norville and the paper were alluding to the fact that, by statute, cities may only put a maximum of 15 percent of their acreage or total assessed value in a tax increment urban renewal district. Interstate placed Portland's total at 11,403 acres, or 12.3 percent of total city area, leaving approximately 2,500 acres for other projects. The assessed value of property in new districts is 10.1 percent of the city's assessed value, though because of some nuances of urban renewal law, not all of the taxes attributable to this amount of assessed value are actually paid to PDC. PDC generally foregoes approximately forty percent of the taxes that it could be eligible to receive. This election mitigates impacts on Multnomah County and other taxing entities.[108]

PDC officials such as Trader and John Southgate, Interstate project manager, were satisfied with both the shape and size of the district and the plan agenda and confident it would succeed, in large part because of the level of citizen participation. As Southgate put it, "it [the Interstate Plan District] looks like it's gerrymandered, but there's a rationale to it. The boundaries reflect the will of the neighborhoods." The neighborhoods had firm ideas and a large "wish list" of projects that ultimately dictated the size of the district. The citizens advisory committee, more than 50 strong, recommended a formula that called for 25 percent of the Interstate funding to be spent on housing; 24 percent on light rail and other transportation-related projects; and 19 percent on economic development.[109]

CONCLUSION:

How to Renew a City

"I have seen a lot of scenery in my life, but I have seen nothing so tempting as a home for man as this Oregon country.... You have here a basis for civilization on its highest scale, and I am going to ask you a question which you may not like. Are you good enough to have this country in your possession? Have you got enough intelligence, imagination and cooperation among you to make the best of these opportunities?"

–Lewis Mumford, in a speech to the City Club of Portland, July 1938

Urban renewal is an activity that unfolds in cycles of initiatives that play out over twenty to thirty years. Thus, events predicated on a set of values and assumptions in one era may develop only slowly under another value set and come to fruition under yet another set, even as another constellation of planning values creates a different series of plans.

This does not mean that we cannot distinguish between periods in the urban renewal history of Portland. Of course, we already have. Nearly half a century after the program began, an assessment might be fairly sanguine about what happened. Clearly, there have been some triumphs, but, amazingly, there have been no disasters. Partly this is due to the fact that some important lessons of the past were learned on the spot and in retrospect. One of the main ones, as Stan Jones, a 30-year PDC employee, pointed out, was that PDC did not perform bypass surgery on the heart of the city–the central business district–as happened in so many other places.[110] Instead, especially early on, it concentrated on the transition zone with activities that functioned almost as demonstration projects, allowing citizens to see what it could accomplish in relatively small increments.[111] Few, if any, of these projects were utter failures, although some were far less successful than others.

A second lesson is that the nature of available funding has played a critical role in Portland's urban renewal history, both as largesse and also as shaper of project selection and the type of the project activities undertaken. On project selection, to take one instance, South Auditorium would

probably not have been a clearance activity had that not been what the federal government was funding. For that matter, Albina, Portland State, and Emanuel were all decided and done on the basis of the available type of funding. The withdrawal of federal monies, of course, crippled St. Johns. Measure 5 halted urban renewal in its tracks. The inability to fund through TIF was a short-term disaster.

A third lesson is in the process by which urban renewal has been carried out. Process is a cardinal legacy of Portland's experience. The public and their urban renewal agency in Portland have moved upward together–not always at the same pace, nor always very steadily. Model Cities was a turning point in this development. ANIP notwithstanding, it brought citizen planning for the first time in urban renewal in Portland. It also engendered an infrastructure of citizen participation organizations across the city. Neil Goldschmidt used the emerging neighborhood movement to energize people to participate in the planning of PDC's projects and in the creation of a broader vision of redevelopment and, not incidentally, the city's future. PDC's policies and programs have been flexible and implemented in concert with these changes in policy.

As we contemplate its contemporary state, it is clear that the entrepreneurial spirit, the application of the mixed use philosophy, and the much more intensive involvement of the community in the 90s form the basis of the current slate of improvements. But it is also obvious that the social, political, and economic forces, not to mention planning fashions, at play in Portland history over the last half century have also constrained and liberated policy makers as they craft redevelopment strategies.

The opportunity to answer Lewis Mumford's questions in the affirmative, and to shape the next era of urban renewal still lies before us.

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111 Jones interview.

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Legislative History of Urban Renewal in Oregon

by Tashman Johnson LLC

The following key state and federal legislative milestones have shaped what urban renewal has become in the State of Oregon. 1]

1949: Congress approved Title I of the Federal Housing Act of 1949, the first landmark legislation regarding urban renewal. The program provided a way to finance renewal efforts through federal loans and grants to public agencies, with accompanying detailed federal regulations and oversight for how the program was to operate.

1951: The Oregon Legislature granted housing authorities the authority to become involved in the urban renewal process. This enabling legislation, codified in ORS Chapter 457, did not duplicate or pre-empt the existing federal urban renewal program, but rather was supported by the procedural and substantive standards of the federal law. The Oregon Supreme Court upheld the constitutionality of the law in a landmark decision - Foeller v. Housing Authority of Portland, 198 OR 205 (1953).

1957: The Oregon Legislature made substantial changes to Chapter 457, both in the definitions and the declaration of necessity and purpose. The legislation also extended the power to function as an urban renewal agency to city councils, county commissions, or an appointed separate body.

1960: Oregon voters approved a constitutional amendment, referred by the Legislature, which authorized the use of tax increment financing (TIF) to finance redevelopment. This approval made Oregon the second state (after California pioneered tax increment financing in the 1950s) to grant such authority. The amendment provided a way to increase local resources available for the public match for federal urban renewal funds. Implementing legislation followed in 1961. Use of TIF was limited to urban renewal agencies.

1974: Congress passed the Housing and Community Development Act, which provided funding by block grants and phased out the 25-year-old

federal channeling of funds for urban renewal programs. This Congressional action opened the door for TIF as a major local urban renewal financing method.

1977: The Oregon Legislature directed an interim legislative committee to study the whole area of urban renewal and tax increment financing, in response to concerns that some public agencies were using tax increment financing inappropriately. The interim committee was asked to report back to the 1979 session.

1979: HB 2083 was introduced, based on the interim legislative committee's work. The final approved legislation substantially rewrote Oregon urban renewal statutes, providing direction in the formation and operation of renewal agencies. The legislation expanded the permissible uses of TIF, expanded the definition of "blight" which is a key term for defining an urban renewal district, restricted the percentage of assessed value that could be captured in an urban renewal district, and improved public scrutiny of renewal efforts.

1990: Oregon voters approved Ballot Measure 5, which created a ceiling on property taxes for non-school and school purposes. All taxes, including tax increment revenues, had to be categorized as being for general government, public schools or exempt (exempt taxes were those levied for voter-approved general obligation bonds).

1991: The Oregon Legislature passed Measure 5 implementing legislation that provided that all taxes collected by means of tax increment financing be categorized as local government taxes subject to the $10/$1,000 real market value tax limit. For many cities this resulted in levied taxes exceeding the limit, and urban renewal agencies generally reduced or eliminated collecting tax increment revenues to lessen the "compression" losses to general government agencies.

1993: A constitutional amendment aimed at restoring tax increment financing by declaring urban renewal debt outside Measure 5's limits was passed by the Oregon Legislature but rejected by voters in a special election.

1996: Oregon voters approved Ballot Measure 47, which reduced and limited property taxes. The impact of this measure on tax increment financing was never determined.

1997: In response to the belief that Measure 47 could not be implemented without substantial subsequent litigation, the Oregon Legislature referred Ballot Measure 50 to the voters in a special election held in May. Oregon voters approved the measure, which repealed Measure 47 and replaced Oregon's levy-based property tax system with a rate-based system. Because the Measure 50 system of raising urban renewal taxes resulted in 50-60 percent less revenue than under Measure 5, specific provisions of the measure "grandfathered" plans in place as of the effective date of Measure 47, allowing existing urban renewal plans to complete their projects within Measure 5 property tax limits. The Legislature also passed SB 1215, which implemented Measure 50.

2001: The Oregon Legislature passed HB 3215, which exempted taxes for future voter-approved bond issues and local option levies from tax increment revenues.

On December 20, 2001 the Oregon Supreme Court filed its decision in the *Shilo Inn v Multnomah County, City of Portland, and Portland Development Commission.* Currently all property taxes are categorized based on the nature of the government entity that levies the taxes. The Supreme Court decision found unconstitutional the statute that requires this categorization and directed that taxes divided for urban renewal should be categorized as local government revenues for Measure 5 purposes. The decision reversed the prior Oregon Tax Court ruling in favor of Portland and remanded the case to that court for further proceedings.

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1] *In addition to state and federal legislation, a number of municipalities in Oregon have local charter provisions limiting the use of tax increment financing in their communities.*

Chapter 457

1999 EDITION

Urban Renewal

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CROSS-REFERENCES

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County zoning and zoning districts, Ch. 215

Discrimination in selling, leasing or renting real property prohibited, 659.033

Federal audit reports of certain accounts to be accepted by Secretary of State, 297.455

Financing redevelopment and urban renewal projects, Const. Art. IX, §1c

Housing and community services programs generally, Ch. 458

Housing and housing authorities generally, Ch. 456

Planning assistance, 351.260

Subdivisions and partitions, Ch. 92

Tax exemption, nonprofit corporation low income housing, 307.540 to 307.548

457.320

Information on bond issues to Oregon Municipal Debt Advisory Commission, 287.040, 287.042

Preliminary official statement required, 287.018

457.440

Applicability of Local Budget Law, 294.316

GENERAL PROVISIONS

457.010 Definitions. As used in this chapter, unless the context requires otherwise:

(1) "Blighted areas" means areas 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. A blighted area is characterized by the existence of one or more of the following conditions:

(a) The existence of buildings and structures, used or intended to be used for living, commercial, industrial or other purposes, or any combination of those uses, that are unfit or unsafe to occupy for those purposes because of any one or a combination of the following conditions:

(A) Defective design and quality of physical construction;

(B) Faulty interior arrangement and exterior spacing;

(C) Overcrowding and a high density of population;

(D) Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities; or

(E) Obsolescence, deterioration, dilapidation, mixed character or shifting of uses;

(b) An economic dislocation, deterioration or disuse of property resulting from faulty planning;

(c) The division or subdivision and sale of property or lots of irregular form and shape and inadequate size or dimensions for property usefulness and development;

(d) The laying out of property or lots in disregard of contours, drainage and other physical characteristics of the terrain and surrounding conditions;

(e) The existence of inadequate streets and other rights of way, open spaces and utilities;

(f) The existence of property or lots or other areas that are subject to inundation by water;

(g) A prevalence of depreciated values, impaired investments and social and economic maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered;

(h) A growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare; or

(i) A loss of population and reduction of proper utilization of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere.

(2) "Certified statement" means the statement prepared and filed pursuant to ORS 457.430 or an amendment to the certified statement prepared and filed pursuant to ORS 457.430.

(3) "City" means any incorporated city.

(4) "Consolidated billing tax rate" means the total of all district ad valorem property tax rates used to extend taxes after any adjustments to reflect tax offsets under ORS 310.105 and 310.108, except that "consolidated billing tax rate" does not include any urban renewal special levy rate under ORS 457.435.

(5)(a) "Existing urban renewal plan" means an urban renewal plan that provides for a division of ad valorem property taxes as described under ORS 457.420 to 457.460 adopted by ordinance before December 6, 1996, that:

(A) Except for an amendment made on account of ORS 457.190 (3) and subject to paragraph (b) of this subsection, is not changed by substantial amendment, as described in ORS 457.085 (2)(i)(A) or (B), on or after December 6, 1996; and

(B) For tax years beginning on or after July 1, 1998, includes the limit on indebtedness as described in ORS 457.190 (3).

(b) If, on or after July 1, 1998, the maximum limit on indebtedness (adopted by ordinance before July 1, 1998, pursuant to ORS 457.190) of an existing urban renewal plan is changed by substantial amendment, then "indebtedness issued or incurred to carry out the existing urban renewal plan" for purposes of ORS 457.435 includes only the indebtedness within the indebtedness limit adopted by ordinance under ORS 457.190 (3)(c) before July 1, 1998.

(6) "Fiscal year" means the fiscal year commencing on July 1 and closing on June 30.

(7) "Governing body of a municipality" means, in the case of a city, the common council or other legislative body thereof, and, in the case of a county, the board of county commissioners or other legislative body thereof.

(8) "Housing authority" or "authority" means any housing authority established pursuant to the Housing Authorities Law.

(9) "Increment" means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal

area, or portion thereof, over the assessed value specified in the certified statement.

(10) "Maximum indebtedness" means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness.

(11) "Municipality" means any county or any city in this state. "The municipality" means the municipality for which a particular urban renewal agency is created.

(12) "Taxing body" or "taxing district" means the state, city, county or any other taxing unit which has the power to levy a tax.

(13) "Urban renewal agency" or "agency" means an urban renewal agency created under ORS 457.035 and 457.045.

(14) "Urban renewal area" means a blighted area included in an urban renewal plan or an area included in an urban renewal plan under ORS 457.160.

(15) "Urban renewal project" or "project" means any work or undertaking carried out under ORS 457.170 in an urban renewal area.

(16) "Urban renewal plan" or "plan" means a plan, as it exists or is changed or modified from time to time for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135 and 457.220. [Amended by 1957 c.456 §1; 1969 c.225 §1; 1979 c.621 §10; 1991 c.67 §128; 1991 c.459 §330; 1997 c.541 §442; 1999 c.21 §76; 1999 c.579 §25]

457.020 Declaration of necessity and purpose. It hereby is found and declared:

(1) That there exist within the state blighted areas.

(2) That such areas impair economic values and tax revenues.

(3) That such areas cause an increase in and spread of disease and crime and constitute a menace to the health, safety, morals and welfare of the residents of the state and that these conditions necessitate excessive and disproportionate expenditures of public funds for crime prevention and punishment, public health, safety and welfare, fire and accident protection and other public services and facilities.

(4) That certain blighted areas may require acquisition and clearance since the prevailing condition of decay may make impracticable the reclamation of the area by conservation or rehabilitation, but other areas or portions thereof may be susceptible of conservation or rehabilitation in such manner that the conditions and evils mentioned in subsections (1), (2) and (3) of this section may be eliminated, remedied or prevented and that such areas should, if possible, be conserved and rehabilitated through appropriate public action and the cooperation and voluntary action of the owners and tenants of property in such areas.

(5) That the acquisition, conservation, rehabilitation, redevelopment, clearance, replanning and preparation for rebuilding of these areas, and the prevention or the reduction of blight and its causes, are public uses and purposes for which public money may be spent and private property acquired and are governmental functions of state concern.

(6) That there are also certain areas where the condition of the title, the diverse ownership of the land to be assembled, the street or lot layouts or other conditions prevent a proper development of the land, and that it is in the public interest that such areas, as well as blighted areas, be acquired by eminent domain and made available for sound and wholesome development in accordance with a redevelopment or urban renewal plan, and that the exercise of the power of eminent domain and the financing of the acquisition and preparation of land by a public agency for such redevelopment or urban renewal is likewise a public use and purpose.

(7) That redevelopment and urban renewal activities will stimulate residential construction which is closely correlated with general economic activity; that undertakings authorized by this chapter will aid the production of better housing and more desirable neighborhood and community development at lower costs and will make possible a more stable and larger volume of residential construction, which will assist materially in maintaining full employment.

(8) That the necessity in the public interest for this chapter is a matter of legislative determination. [Amended by 1957 c.456 §2; 1979 c.621 §11]

457.025 Powers supplemental to other laws. The powers conferred by this chapter are in addition and supplemental to the powers conferred by any other law. [Formerly 457.110]

457.030 [Amended by 1957 c.456 §18; repealed by 1979 c.621 §28]

URBAN RENEWAL AGENCIES; PLANS; ACTIVITIES

457.035 Urban renewal agencies; creation; ordinance to exercise powers; jurisdiction. (1) In each municipality, as defined in ORS 457.010, there hereby is created a public body corporate and politic to be known as the "urban renewal agency" of the municipality. However, the urban renewal agency shall not exercise its powers

until or unless the governing body of the municipality, by nonemergency ordinance, declares that blighted areas exist in the municipality and that there is need for an urban renewal agency to function in the municipality and elects to have the powers of an urban renewal agency exercised in any of the three ways provided in ORS 457.045.

(2) An urban renewal agency, upon activation under subsection (1) of this section, shall have authority to exercise its powers within the same area of operation given a housing authority of the municipality under ORS 456.060. [Formerly 457.130]

457.040 [Repealed by 1979 c.621 §28]

457.045 Election of method of exercise of urban renewal agency's powers. The governing body of a municipality shall, in the ordinance adopted under ORS 457.035, elect to have the powers of an urban renewal agency under this chapter exercised in one of the following ways:

(1) By a housing authority of the municipality established pursuant to the Housing Authorities Law in which case the name of the body corporate and politic shall be the "housing authority and urban renewal agency" of the municipality.

(2) By appointing a board or commission composed of not less than three members.

(3) By the governing body, itself, provided, however, that any act of the governing body acting as the urban renewal agency shall be, and shall be considered, the act of the urban renewal agency only and not of the governing body. [Formerly 457.140]

457.050 [Amended by 1953 c.230 §3; 1957 c.456 §19; repealed by 1979 c.621 §28]

457.055 Transfer of agency powers. At any time following adoption of the ordinance under ORS 457.035, or for urban renewal agencies activated before October 3, 1979, at any time following adoption of a proper resolution or ordinance of the governing body of the municipality, the governing body of a municipality may, by ordinance, transfer the authority to exercise the powers of the urban renewal agency to any other body authorized to exercise those powers under ORS 457.045. All duties and obligations of the urban renewal agency shall thereafter be assumed by the body to which those powers are transferred. [1979 c.621 §16 (enacted in lieu of 457.145)]

457.060 [Repealed by 1979 c.621 §28]

457.065 Advisory board for housing authority acting as urban renewal agency. For the purpose of coordinating its activities and undertakings under this chapter with the needs and undertakings of other local organizations and groups, a housing authority exercising the powers of an urban renewal agency under ORS 457.045 shall establish an advisory board consisting of the chairperson of the authority, who shall be chairperson of the advisory board, and of sufficient members, to be appointed by the chairperson, to represent as far as practicable:

(1) The general public and consumers of housing.

(2) General business interests.

(3) Real estate, building and home financing interests.

(4) Labor.

(5) Any official planning body in the locality.

(6) Church and welfare groups. [Formerly 457.100]

457.070 [Repealed by 1979 c.621 §28]

457.075 Termination of urban renewal agency. If the governing body of a municipality which has an urban renewal agency under ORS 457.035 finds that there no longer exists a need for an urban renewal agency in the municipality, the governing body shall provide, by ordinance, for a termination of the agency and a transfer of the agency's facilities, files and personnel to the municipality. The termination of an urban renewal agency shall not affect any outstanding legal actions, contracts or obligations of the agency and the municipality shall be substituted for the agency and, for the purpose of those legal actions, contracts or obligations, shall be considered a continuation of the urban renewal agency and not a new entity. No urban renewal agency shall be terminated under this section unless all indebtedness to which a portion of taxes is irrevocably pledged for payment under ORS 457.420 to 457.460 is fully paid. [1979 c.621 §6; 1991 c.459 §331; 1997 c.541 §443]

457.080 [Repealed by 1979 c.621 §28]

457.085 Urban renewal plan requirements; accompanying report; contents; approval required. (1) An urban renewal agency shall provide for public involvement in all stages in the development of an urban renewal plan.

(2) An urban renewal plan proposed by an urban renewal agency shall include all of the following:

(a) A description of each urban renewal project to be undertaken.

(b) An outline for the development, redevelopment, improvements, land acquisition, demolition and removal of structures, clearance, rehabilitation or conservation of the urban renewal areas of the plan.

(c) A map and legal description of the urban renewal areas of the plan.

(d) An explanation of its relationship to definite local objectives regarding appropriate land uses and improved traffic, public transportation, public utilities, telecommunications utilities, recreational and community facilities and other public improvements.

(e) An indication of proposed land uses, maximum densities and building requirements for each urban renewal area.

(f) A description of the methods to be used for the temporary or permanent relocation of persons living in, and businesses situated in, the urban renewal area of the plan.

(g) An indication of which real property may be acquired and the anticipated disposition of said real property, whether by retention, resale, lease or other legal use, together with an estimated time schedule for such acquisition and disposition.

(h) If the plan provides for a division of ad valorem taxes under ORS 457.420 to 457.460, the maximum amount of indebtedness that can be issued or incurred under the plan.

(i) A description of what types of possible future amendments to the plan are substantial amendments and require the same notice, hearing and approval procedure required of the original plan under ORS 457.095 as provided in ORS 457.220, including but not limited to amendments:

(A) Adding land to the urban renewal area, except for an addition of land that totals not more than one percent of the existing area of the urban renewal area.

(B) Increasing the maximum amount of indebtedness that can be issued or incurred under the plan.

(j) For a project which includes a public building, an explanation of how the building serves or benefits the urban renewal area.

(3) An urban renewal plan shall be accompanied by a report which shall contain:

(a) A description of physical, social and economic conditions in the urban renewal areas of the plan and the expected impact, including the fiscal impact, of the plan in light of added services or increased population;

(b) Reasons for selection of each urban renewal area in the plan;

(c) The relationship between each project to be undertaken under the plan and the existing conditions in the urban renewal area;

(d) The estimated total cost of each project and the sources of moneys to pay such costs;

(e) The anticipated completion date for each project;

(f) The estimated amount of money required in each urban renewal area under ORS 457.420 to 457.460 and the anticipated year in which indebtedness will be retired or otherwise provided for under ORS 457.420 to 457.460;

(g) A financial analysis of the plan with sufficient information to determine feasibility;

(h) A fiscal impact statement that estimates the impact of the tax increment financing, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal area; and

(i) A relocation report which shall include:

(A) An analysis of existing residents or businesses required to relocate permanently or temporarily as a result of agency actions under ORS 457.170;

(B) A description of the methods to be used for the temporary or permanent relocation of persons living in, and businesses situated in, the urban renewal area in accordance with ORS 281.045 to 281.105; and

(C) An enumeration, by cost range, of the existing housing units in the urban renewal areas of the plan to be destroyed or altered and new units to be added.

(4) An urban renewal plan and accompanying report shall be forwarded to the planning commission of the municipality for recommendations, prior to presenting the plan to the governing body of the municipality for approval under ORS 457.095.

(5) An urban renewal plan and accompanying report shall be forwarded to the governing body of each taxing district affected by the urban renewal plan and the agency shall consult and confer with the taxing districts prior to presenting the plan to the governing body of the municipality for approval under ORS 457.095. Any written recommendations of the governing body of each taxing district shall be accepted, rejected or modified by the governing body of the municipality in adopting the plan.

(6) No urban renewal plan shall be carried out until the plan has been approved by the governing body of each municipality pursuant to ORS 457.095 and 457.105. [1979 c.621 §2; 1983 c.544 §1; 1987 c.668 §1; 1987 c.447 §130; 1991 c.459 §332; 1997 c.541 §444]

457.090 [Repealed by 1979 c.621 §28]

457.095 Approval of plan by ordinance; required contents of ordinance; notice. The governing body of the municipality, upon receipt of a proposed urban renewal plan and report from the municipality's urban renewal agency and after public notice and hearing

and consideration of public testimony and planning commission recommendations, if any, may approve the urban renewal plan. The approval shall be by nonemergency ordinance which shall incorporate the plan by reference. Notice of adoption of the ordinance approving the urban renewal plan, and the provisions of ORS 457.135, shall be published by the governing body of the municipality in accordance with ORS 457.115 no later than four days following the ordinance adoption. The ordinance shall include determinations and findings by the governing body that:

(1) Each urban renewal area is blighted;

(2) The rehabilitation and redevelopment is necessary to protect the public health, safety or welfare of the municipality;

(3) The urban renewal plan conforms to the comprehensive plan and economic development plan, if any, of the municipality as a whole and provides an outline for accomplishing the urban renewal projects the urban renewal plan proposes;

(4) Provision has been made to house displaced persons within their financial means in accordance with ORS 281.045 to 281.105 and, except in the relocation of elderly or disabled individuals, without displacing on priority lists persons already waiting for existing federally subsidized housing;

(5) If acquisition of real property is provided for, that it is necessary;

(6) Adoption and carrying out of the urban renewal plan is economically sound and feasible; and

(7) The municipality shall assume and complete any activities prescribed it by the urban renewal plan. [1979 c.621 §3; 1989 c.224 §121]

457.100 [Amended by 1979 c.621 §12; renumbered 457.065]

457.105 Approval of plan by other municipalities. In addition to the approval of a plan by the governing body of the municipality under ORS 457.095, when any portion of the area of a proposed urban renewal plan extends beyond the boundaries of the municipality into any other municipality and, in the case of a proposed plan by a county agency, when any portion of such area is within the boundaries of a city, the governing body of the other municipality may approve the plan and may do so by resolution, rather than by ordinance. A proposed plan for an urban renewal area which is wholly within the boundaries of a city, or which is wholly within the boundaries of a county and does not include any area within the boundaries of a city, must be approved only by the governing body of the municipality in accordance with ORS 457.095. [1979 c.621 §3a; 1987 c.668 §2]

457.110 [Renumbered 457.025]

457.115 Manner of newspaper notice. Notice of adoption of an urban renewal plan required under ORS 457.095 and notice of filing of an annual financial statement required under ORS 457.460 shall be published in the newspaper, as defined in ORS 193.010, having the greatest circulation in the municipality and which is published within the municipality. If no newspaper is published within the municipality, the required notice shall be published in the newspaper having greatest circulation within the municipality published nearest to the municipality. [1979 c.621 §3b]

457.120 When additional notice required; to whom sent; content; notice by publication. (1) In addition to any required public notice of hearing on a proposed urban renewal plan or substantial amendment or change to a plan, as described in ORS 457.085 (2)(i) and 457.220, the municipality shall cause notice of a hearing by the governing body on a proposed plan for a new urban renewal area or on a proposed change containing one of the types of amendments specified in ORS 457.085 (2)(i) to be mailed to each individual or household in one of the following groups:

(a) Owners of real property that is located in the municipality;

(b) Electors registered in the municipality;

(c) Sewer, water, electric or other utility customers in the municipality; or

(d) Postal patrons in the municipality.

(2) If the urban renewal area governed by the plan or substantial amendment thereof extends beyond the boundaries of the municipality, notice shall also be sent to each individual in the selected group who is located in the urban renewal area.

(3) The notice required by this section shall contain a statement in plain language that:

(a) The governing body, on a specified date, will hold a public hearing and consider an ordinance adopting or substantially amending an urban renewal plan;

(b) The adoption or amendment may impact property tax rates;

(c) States the proposed maximum amount of indebtedness that can be issued or incurred under the plan or amendment;

(d) The ordinance, if approved, is subject to referendum; and

(e) A copy of the ordinance, urban renewal plan and accompanying report can be

obtained by contacting a designated person within the municipality.

(4) If the municipality which activated the urban renewal agency is a county:

(a) The notice required by subsection (1) of this section shall be sent to each individual or household in one of the groups listed in subsections (1)(a) to (d) of this section, except that the notice need be sent only to those individuals or households located in a school district with territory affected or to be affected by the tax increment financing for the new urban renewal area or proposed change.

(b) In addition to the notice under paragraph (a) of this subsection, the county shall cause notice to be published in a paper of general circulation throughout the county. The published notice shall contain the information described in subsection (3) of this section, be published in an advertisement not less than three inches in height and three inches in width and be located in a general interest section of the newspaper other than the classified advertisement section. [1991 c.459 §335f; 1997 c.541 §445]

Note: 457.120 was added to and made a part of 457.010 to 457.460 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

457.125 Recording of plan upon approval. A copy of the ordinance approving an urban renewal plan under ORS 457.095 shall be sent by the governing body of the municipality to the urban renewal agency. A copy of the resolution approving an urban renewal plan under ORS 457.105 shall be sent by the governing body of a municipality to the urban renewal agency. Upon receipt of the necessary approval of each municipality governing body, the urban renewal plan shall be recorded by the urban renewal agency with the recording officer of each county in which any portion of an urban renewal area within the plan is situated. [1979 c.621 §4]

457.130 [1957 c.456 §§4,5; 1979 c.621 §13; renumbered 457.035]

457.135 Conclusive presumption of plan validity. After October 3, 1979, any urban renewal plan purported to be adopted in conformance with applicable legal requirements shall be conclusively presumed valid for all purposes 90 days after adoption of the plan by ordinance of the governing body of the municipality. No direct or collateral attack on the action may thereafter be commenced. [1979 c.621 §5]

457.140 [1957 c.456 §6; 1975 c.246 §1; 1979 c.621 §14; renumbered 457.045]

457.145 [1967 c.311 §2; repealed by 1979 c.621 §15 (457.055 enacted in lieu of 457.145)]

457.150 [1957 c.456 §8; repealed by 1979 c.621 §28]

457.160 Exception to plan requirements for disaster areas. Notwithstanding any other provisions of ORS chapters 455 and 456 or this chapter and ORS 446.515 to 446.547, where the governing body of a municipality certifies that an area is in need of redevelopment or rehabilitation as a result of a flood, fire, hurricane, earthquake, storm or other catastrophe respecting which the Governor has certified the need for disaster assistance under federal law, the governing body may declare a need for an urban renewal agency, if necessary, and may approve an urban renewal plan and an urban renewal project for such area without regard to the provisions requiring:

(1) That the urban renewal plan conform to the comprehensive plan and economic development plan, if any, for the municipality as a whole.

(2) That the urban renewal area be a blighted area. [1957 c.456 §15; 1979 c.621 §18; 1993 c.18 §114]

457.170 Urban renewal agency's powers in planning or undertaking an urban renewal project. An urban renewal agency may plan or undertake any urban renewal project to carry out an approved urban renewal plan. In planning or undertaking an urban renewal project, the urban renewal agency has the power:

(1) To carry out any work or undertaking and exercise any powers which a housing authority is authorized to perform or exercise under ORS 456.055 to 456.235, subject to the provisions of this chapter provided, however, that ORS 456.155 and 456.160 do not limit the power of an agency in event of a default by a purchaser or lessee of land in an urban renewal plan to acquire property and operate it free from the restrictions in those sections.

(2) To carry out any rehabilitation or conservation work in an urban renewal area.

(3) To acquire real property, by condemnation if necessary, when needed to carry out the plan.

(4) To clear any areas acquired, including the demolition, removal or rehabilitation of buildings and improvements.

(5) To install, construct or reconstruct streets, utilities and site improvements in accordance with the urban renewal plan.

(6) To carry out plans for a program of the voluntary repair and rehabilitation of buildings or other improvements in an urban renewal area in accordance with the urban renewal plan.

(7) To assist in relocating persons living in, and property situated in, the urban renewal area in accordance with the approved

urban renewal plan and to make relocation payments.

(8) To dispose of, including by sale or lease, any property or part thereof acquired in the urban renewal area in accordance with the approved urban renewal plan.

(9) To plan, undertake and carry out neighborhood development programs consisting of urban renewal project undertakings in one or more urban renewal areas which are planned and carried out on the basis of annual increments in accordance with the provisions of this chapter for planning and carrying out urban renewal plans.

(10) To accomplish a combination of the things listed in this section to carry out an urban renewal plan. [1957 c.456 §7; 1969 c.225 §2; 1969 c.539 §1; 1979 c.621 §19; 1995 c.79 §268]

457.180 Powers of urban renewal agencies in general. An urban renewal agency, in addition to its other powers, may:

(1) Make plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements.

(2) Make plans for the enforcement of laws, codes and regulations relating to:

(a) The use of land.

(b) The use and occupancy of buildings and improvements.

(c) The repair, rehabilitation, demolition or removal of buildings and improvements.

(3) Make plans for the relocation of persons and property displaced by an urban renewal project.

(4) Make preliminary plans outlining urban renewal activities for neighborhoods to embrace two or more urban renewal areas.

(5) Conduct preliminary surveys to determine if the undertaking and carrying out of an urban renewal project is feasible.

(6) Develop, test and report methods and techniques and carry out demonstrations and other activities for the prevention and the elimination of urban blight.

(7) Engage in any other housing or community development activities specifically delegated to it by the governing body of the municipality including but not limited to land acquisition and disposition, conservation and rehabilitation, residential or business relocation, construction, leasing or management of housing, and the making of grants and loans from any available source. [1957 c.456 §10; 1975 c.382 §1]

457.190 Acquisition of funds by urban renewal agency; maximum amount of indebtedness. (1) An urban renewal agency may borrow money and accept advances, loans, grants and any other form of financial assistance from the federal government, the state, county or other public body, or from any sources, public or private, for the purposes of undertaking and carrying out urban renewal projects.

(2) An urban renewal agency may do all things necessary or desirable to secure such financial aid, including obligating itself in any contract with the federal government for federal financial aid to convey to the federal government the project to which the contract relates upon the occurrence of a substantial default thereunder, in the same manner as a housing authority may do to secure such aid in connection with slum clearance and housing projects under the Housing Authorities Law.

(3)(a) Each urban renewal plan adopted by ordinance on or after July 14, 1997, that provides for a division of taxes pursuant to ORS 457.440 shall include in the plan the maximum amount of indebtedness that may be issued or incurred under the plan. Notwithstanding subsection (1) of this section, if a maximum amount of indebtedness is not included in the plan, the urban renewal agency may not issue indebtedness for which taxes divided under ORS 457.440 are to be pledged to carry out the plan.

(b) Each urban renewal plan adopted by ordinance on or after December 6, 1996, and before July 14, 1997, that provides for a division of taxes pursuant to ORS 457.440 but does not include a maximum amount of indebtedness that may be issued or incurred under the plan shall be changed, by substantial plan amendment pursuant to ORS 457.220, to include the maximum amount of indebtedness that may be issued or incurred under the plan before July 1, 2000. Notwithstanding subsection (1) of this section, if a maximum amount of indebtedness is not included in the plan on or before July 1, 2000, the urban renewal agency may not on or after July 1, 2000, issue indebtedness for which taxes divided under ORS 457.440 are to be pledged to carry out the plan.

(c)(A) Each existing urban renewal plan that provides for a division of taxes pursuant to ORS 457.420 to 457.460 may be changed by substantial amendment no later than July 1, 1998, to include a maximum amount of indebtedness that may be issued or incurred under the plan determined as described in subparagraph (B) of this paragraph. The additional notices required under ORS 457.120 are not required for an amendment adopted pursuant to this paragraph.

(B) The maximum amount of indebtedness that may be issued or incurred under the plan, as determined for purposes of meeting the requirements of this paragraph, shall be based upon good faith estimates of the scope and costs of projects, including but

not limited to increases in costs due to reasonably anticipated inflation, in the existing urban renewal plan and the schedule for their completion as completion dates were anticipated as of December 5, 1996. The maximum amount of indebtedness shall be specified in dollars and cents.

(C) Notwithstanding subsection (1) of this section, if a maximum amount of indebtedness is not adopted for an existing urban renewal plan as described in this paragraph before July 1, 1998, the urban renewal agency may not collect funds under ORS 457.435. [1957 c.456 §14; 1991 c.459 §333; 1997 c.541 §446]

Note: Section 335e, chapter 459, Oregon Laws 1991, provides:

Sec. 335e. Bonded indebtedness if project agreed to prior to September 29, 1991. Notwithstanding ORS 457.190, an urban renewal agency may issue bonded indebtedness to undertake an urban renewal project to carry out an urban renewal plan if, prior to September 29, 1991, a written contract or other written agreement for the project was made, the instrument setting forth the contract or agreement was executed and the parties were bound. The urban renewal agency of the municipality may use any of the money available to it from the issuance of the bonds for carrying out the project in accordance with the contract or agreement. [1991 c.459 §335e; 1997 c.541 §446a]

457.210 Applicability of housing cooperation law to urban renewal projects; delegation of powers and functions. (1) Any state public body, as defined in ORS 456.305, shall have the same rights and powers to cooperate with and assist urban renewal agencies with respect to urban renewal projects that such state public body has pursuant to ORS 456.305 to 456.325 to cooperate and assist housing authorities with respect to housing projects in the same manner as though those sections were applicable to urban renewal agencies and projects under this chapter.

(2) Any state public body, as defined in ORS 456.305, hereby is authorized to enter into agreements with any other public body, including an urban renewal agency, respecting action to be taken pursuant to any of the powers granted by this chapter, including, but not limited to, the furnishing of funds or other assistance in connection with an urban renewal plan or urban renewal project.

(3) An urban renewal agency hereby is authorized to delegate any of its powers or functions to the municipality or other state public body, as defined in ORS 456.305, with respect to the planning or undertaking of an urban renewal project in the area in which such municipality or other state public body is authorized to act. The municipality, or other state public body to which the powers or functions are delegated hereby is authorized to carry out or perform such powers or functions. [1957 c.456 §11]

457.220 Plan amendment; limit on additional land. (1) Except for the provisions of subsection (2) of this section, an urban renewal agency shall carry out the urban renewal plan approved under ORS 457.095.

(2) Any substantial change made in the urban renewal plan shall, before being carried out, be approved and recorded in the same manner as the original plan.

(3) No land equal to more than 20 percent of the total land area of the original plan shall be added to the urban renewal areas of a plan by amendments. [1957 c.456 §9; 1979 c.621 §20]

457.230 Disposition of land in urban renewal project; determination of value; obligations of purchaser or lessee; recordation. (1) The urban renewal agency shall, in accordance with the approved urban renewal plan, make land in an urban renewal project available for use by private enterprise or public agencies. Such land shall be made available at a value determined by the urban renewal agency to be its fair reuse value, which represents the value, whether expressed in terms of rental or capital price, at which the urban renewal agency in its discretion determines such land should be made available in order that it may be developed, redeveloped, cleared, conserved or rehabilitated for the purposes specified in such plan.

(2) To assure that land acquired in an urban renewal project is used in accordance with the urban renewal plan, an urban renewal agency, upon the sale or lease of such land, shall obligate purchasers or lessees:

(a) To use the land for the purposes designated in the urban renewal plan.

(b) To begin the building of their improvements within a period of time which the urban renewal agency fixes as reasonable.

(3) Any obligations by the purchaser shall be covenants and conditions running with the land where the urban renewal agency so stipulates.

(4) Any contract for the transfer of any interest in land by the urban renewal agency may be recorded in the land records of the county in which the land is situated in the same manner as any other contract for the transfer of an interest in land is recorded. [1957 c.456 §12; 1965 c.571 §1; 1967 c.312 §1]

457.240 Tax status of land leased under an urban renewal plan. Any property which the urban renewal agency leases to private persons as defined in ORS 174.100 under an urban renewal plan shall have the same tax status as if such leased property were owned by such private individuals or corporations. [1957 c.456 §13; 1983 c.327 §11]

457.310 [1957 c.456 §16; repealed by 1979 c.621 §28]

457.320 Municipal assistance under plan; assumption by agency of general obligation bond payments of municipality. In addition to the other powers granted a municipality under this chapter, a municipality may exercise any of its powers otherwise provided by law to assist in the planning or the carrying out of an urban renewal plan. Without limiting the powers granted by the preceding sentence, a municipality may issue its general obligation bonds for the purpose of assisting in the planning or the carrying out of an urban renewal plan. The urban renewal agency of the municipality may assume payment of the general obligation bonds and may use any of the moneys available to it for that purpose. [1957 c.456 §17; 1979 c.621 §21]

457.410 [1961 c.554 §2; repealed by 1979 c.621 §28]

TAX INCREMENT FINANCING OF URBAN RENEWAL INDEBTEDNESS

457.420 Plan may provide for division of property taxes; limits on land area. (1) Any urban renewal plan may contain a provision that the ad valorem taxes, if any, levied by a taxing district in which all or a portion of an urban renewal area is located, shall be divided as provided in section 1c, Article IX of the Oregon Constitution, and ORS 457.420 to 457.460. Ad valorem taxes shall not be divided if there is no provision in the urban renewal plan for the division.

(2) No plan adopted after October 3, 1979, shall provide for a division of ad valorem taxes under subsection (1) of this section if:

(a) For municipalities having a population of more than 50,000, according to the latest state census:

(A) The assessed value for the urban renewal areas of the plan, when added to the total assessed value previously certified by the assessor for other urban renewal plans of the municipality for which a division of ad valorem taxes is provided exceeds a figure equal to 15 percent of the total assessed value of that municipality, exclusive of any increased assessed value for other urban renewal areas; or

(B) The urban renewal areas of the plan when added to the areas included in other urban renewal plans of the municipality providing for a division of ad valorem taxes, exceed a figure equal to 15 percent of the total land area of that municipality.

(b) For municipalities having a population of less than 50,000, according to the latest state census:

(A) The assessed value for the urban renewal areas of the plan, when added to the total assessed value previously certified by the assessor for other urban renewal plans of the municipality for which a division of ad valorem taxes is provided exceeds a figure equal to 25 percent of the total assessed value of that municipality, exclusive of any increased assessed value for other urban renewal areas; or

(B) The urban renewal areas of the plan, when added to the areas included in other urban renewal plans of the municipality providing for a division of ad valorem taxes, exceed a figure equal to 25 percent of the total land area of that municipality.

(3) Property may not be included in more than one urban renewal area. [1961 c.554 §3; 1969 c.539 §2; 1971 c.544 §4; 1979 c.621 §24; 1991 c.459 §334; 1997 c.541 §447]

457.430 Certification of assessed value of property in urban renewal area; amendment. (1) As soon as practicable after the approval of a plan containing a provision authorized by ORS 457.420, the county assessor of each county in which an urban renewal area is located shall prepare, in duplicate, a certified statement of the total assessed value, as shown on the county assessment roll last certified prior to the effective date of the ordinance approving the plan, of all of the taxable real and personal property contained in the urban renewal area in the county.

(2) Wherever only a part of an urban renewal area is located in a taxing district, the assessor also shall show in the statement required by subsection (1) of this section the assessed value of the real and personal property in the part of the urban renewal area located in the taxing district.

(3) One copy of the certified statement shall be filed by the assessor with the agency and the other copy shall constitute a part of the public records of the county assessor's office.

(4) Whenever a part of an urban renewal area comes within the territory of a taxing district either by annexation, incorporation of a new taxing district or consolidation, after the approval of a plan containing a provision authorized by ORS 457.420, the county assessor shall in the same manner as under subsection (3) of this section file a certified statement or an amendment to a certified statement to show the assessed value of the real and personal property in that part of the urban renewal area incorporated by annexation or consolidation into the taxing district. The assessed value of the real and personal property so incorporated shall be determined in the same manner and as of the same date as provided in subsections (1) and (2) of this section.

(5) When a certified statement is filed as required by subsection (1) of this section, if the law provides a reduction or increase of the valuation for tax purposes of the taxable property contained in the urban renewal area at the time of the filing, the assessor shall state the total assessed value as it is so reduced or increased. After a certified statement has been filed as required by subsection (1) of this section, if a law is enacted which provides a reduction or increase of the valuation for tax purposes of the taxable property contained in the urban renewal area at the time the certified statement was filed, the assessor shall amend the certified statement annually or as otherwise required to reduce or increase the stated total assessed value of the real and personal property accordingly. An amendment to the certified statement shall be filed in the manner provided by subsections (3) and (4) of this section.

(6)(a) Subject to subsections (4) and (5) of this section and paragraph (b) of this subsection, all certified statements and amendments thereto filed under this section before July 14, 1997, shall continue to remain in effect.

(b) Effective as of the tax year beginning on July 1, 1997, the assessor shall amend the amount of assessed value included in a certified statement by applying to the certified assessed value of each tax code area located within an urban renewal area the percentage obtained by dividing the total assessed value within the tax code area, including growth in assessed value over the certified assessed value, by the total real market value within the tax code area. [1961 c.554 §4; 1969 c.539 §3; 1979 c.621 §25; 1981 c.804 §105; 1983 s.s. c.5 §24; 1991 c.459 §335; 1997 c.541 §448]

457.435 Property tax collection methods for existing plans; special levies. (1) For each existing urban renewal plan that includes a provision for a division of ad valorem taxes under ORS 457.420 to 457.460, the municipality that activated the urban renewal agency that is carrying out the plan shall adopt an ordinance choosing one of the options listed in subsection (2) of this section as the method of collecting ad valorem property taxes sufficient to pay, when due, indebtedness issued or incurred to carry out the plan as permitted by section 11 (16), Article XI of the Oregon Constitution.

(2) The options referred to in subsection (1) of this section are as follows:

(a) Option One: To collect amounts sufficient to pay the obligations, as budgeted for the plan, from ORS 457.440, and if the amount estimated to be received from ORS 457.440 is not sufficient to meet the budgeted obligations of the plan for the tax or fiscal year, to make a special levy in the amount of the remainder upon all of the taxable property of the municipality that activated the urban renewal agency and upon all of the taxable property lying outside the municipality but included in an urban renewal area of the plan.

(b) Option Two: To make a special levy in the amount stated in the notice given under ORS 457.440 (2) upon all of the taxable property of the municipality that activated the urban renewal agency, and upon all of the taxable property lying outside the municipality but included in an urban renewal area of the plan.

(c) Option Three: To collect an amount equal to the amount stated in the ordinance adopted as provided in subsection (1) of this section by dividing the taxes pursuant to ORS 457.440, and to make a special levy upon all of the taxable property of the municipality that activated the urban renewal agency and upon all of the taxable property lying outside the municipality but within an urban renewal area of the plan. The county assessor shall adjust the amount of the total assessed value included in the certified statement filed under ORS 457.430 so that the amount collected by dividing the taxes pursuant to ORS 457.440 does not exceed the amount stated in the ordinance to be collected by dividing the taxes pursuant to ORS 457.440.

(3)(a) The total amount obtained under an option listed in subsection (2) of this section for any plan shall not exceed the maximum amount that could have been certified to the assessor for the plan under ORS 457.440 (1995 Edition) for the tax year beginning July 1, 1997.

(b) For each tax year beginning after the 1997-1998 tax year, the limitation of paragraph (a) of this subsection shall be adjusted by a percentage change equal to the percentage change in the increment within the urban renewal area from the preceding year.

(4)(a) The ordinance choosing the option referred to in subsection (1) of this section shall be adopted no later than July 1, 1998, and shall be applicable for tax years beginning on or after July 1, 1998. If not so adopted, the municipality shall be considered to have chosen Option One as its method of collection of ad valorem property taxes sufficient to pay, when due, indebtedness issued or incurred to carry out the existing urban renewal plan. An option, once chosen, may not be changed to another option. In addition, if Option Three is chosen, the amount specified in the ordinance choosing the option to be collected by dividing the taxes pursuant to ORS 457.440 shall not be changed by subsequent ordinance or amendment to the certified statement.

(b) The option chosen, together with the particulars of the option, including but not limited to any limit on the amount to be received from ORS 457.440, shall be reflected in the notice filed by the urban renewal agency with the county assessor.

(5)(a) The county assessor, or county assessors if the taxable property is in more than one county, shall extend the special levy against all of the taxable property of the municipality that activated the urban renewal agency and all of the taxable property lying outside the municipality but included in an urban renewal area of the plan.

(b) Any amounts collected from special levies made under this section shall be paid into the special fund or funds of the urban renewal agency referred to in ORS 457.440 (6) and shall be used to pay the principal and interest to finance or refinance the existing urban renewal plan or plans of the urban renewal agency.

(6) This section applies to existing urban renewal plans with respect to principal and interest on indebtedness until the indebtedness is fully paid or it is found that deposits in the special fund are sufficient to pay the principal and interest on the indebtedness issued or incurred under the existing urban renewal plan.

(7) Nothing in this section shall prevent the funding of urban renewal indebtedness as provided under ORS 457.440. [1997 c.541 §454; 1999 c.579 §32]

457.437 Consultation with municipalities; resolution requirements. (1) Prior to the establishment of a maximum amount of indebtedness for an urban renewal plan under ORS 457.190 and before an option is adopted under ORS 457.435, the urban renewal agency that is carrying out the plan shall meet with the governing bodies of the municipality that activated the urban renewal agency and other municipalities affected by the urban renewal plan and review the proposed maximum amount of indebtedness for the plan and the agency's recommended option under ORS 457.435.

(2) After the meeting described in subsection (1) of this section, the governing bodies shall adopt resolutions in support of or opposition to the recommended option under ORS 457.435.

(3) If an affected municipality adopts a resolution in opposition to the recommended option, then the agency's recommendations may be adopted only by the adoption of a separate resolution by the municipality that activated the urban renewal agency. [1997 c.541 §454a]

457.440 Computation of amounts to be raised from property taxes; notice. During the period specified under ORS 457.450:

(1) The county assessor shall determine the amount of funds to be raised each year for urban renewal within the county levied by taxing districts in accordance with section 1c, Article IX of the Oregon Constitution, and ORS 457.420 to 457.460.

(2) Not later than July 15 of each tax year, each urban renewal agency shall determine and file with the county assessor a notice stating the amount of funds to be raised for each urban renewal area as follows:

(a) If the municipality that activated the urban renewal agency has chosen Option One as provided in ORS 457.435 (2)(a), the notice shall state that the maximum amount of funds that may be raised by dividing the taxes under section 1c, Article IX of the Oregon Constitution, shall be raised for the agency.

(b) If the municipality that activated the urban renewal agency has chosen Option Two as provided in ORS 457.435 (2)(b), the notice shall state the amount of funds to be raised by the special levy.

(c) If the municipality that activated the urban renewal agency has chosen Option Three as provided in ORS 457.435 (2)(c), the notice shall state the amount of funds to be raised by special levy in addition to the amount to be raised by dividing the taxes as stated in the ordinance adopted under ORS 457.435 (1).

(d) If the plan is not an existing plan, the notice shall state that the maximum amount of funds that may be raised by dividing the taxes under section 1c, Article IX of the Oregon Constitution, shall be raised for the agency.

(3) If a municipality has chosen Option Three pursuant to ORS 457.435, the maximum amount of funds that may be raised for an urban renewal agency by dividing the taxes as provided in section 1c, Article IX of the Oregon Constitution, may be limited by the municipality in which the urban renewal agency is located. The decision of the municipality to limit the amount of funds to be included in the notice filed under subsection (2) of this section shall be reflected in the certified statement filed by the urban renewal agency with the county assessor.

(4) Not later than September 25 of each tax year, the assessor of any county in which a joint district is located shall provide, to the assessor of each other county in which the joint district is located, the assessed values of the property in the joint district that is located within the county, including the certified statement value and the increment for

each code area containing any urban renewal area located within the joint district, and a copy of the notice filed by the urban renewal agency for the area located within the joint district under subsection (2) of this section.

(5) The maximum amount of funds that may be raised for an urban renewal plan by dividing the taxes as provided in section 1c, Article IX of the Oregon Constitution, shall be computed by the county assessor as follows:

(a) The county assessor shall compute the total consolidated billing tax rate for each code area in which an urban renewal area of the plan is located.

(b) The assessor shall determine the amount of taxes that would be produced by extending the tax rate computed under paragraph (a) of this subsection against the increment of each code area.

(c) The total amount determined for all code areas containing urban renewal areas included within the urban renewal plan is the maximum amount of funds to be raised for the urban renewal plan by dividing the taxes.

(6)(a) The maximum amount of funds that may be raised for an urban renewal agency as determined under subsection (5) of this section, or the maximum amount, as determined under subsection (2) of this section, shall be certified by the county assessor to the tax collector. The tax collector shall include the amount so certified in the percentage schedule of the ratio of taxes on property prepared under ORS 311.390 and filed with the county treasurer. Notwithstanding ORS 311.395 (5), the county treasurer shall credit the amount to the urban renewal agency and shall distribute its percentage amount to the urban renewal agency as determined by the schedule at the times other distributions are made under ORS 311.395 (6).

(b) The county assessor shall notify the urban renewal agency of the amounts received under subsection (5) of this section or amounts received pursuant to the notice provided in subsection (2) of this section for each urban renewal plan area. Any amounts received by the urban renewal agency under paragraph (a) of this subsection shall be attributed to the urban renewal plan in which the urban renewal area is included, shall be paid into a special fund of the urban renewal agency for the urban renewal plan and shall be used to pay the principal and interest on any indebtedness issued or incurred by the urban renewal agency to finance or refinance the urban renewal plan.

(7) Unless and until the total assessed value of the taxable property in an urban renewal area exceeds the total assessed value specified in the certified statement, all of the ad valorem taxes levied and collected upon the taxable property in the urban renewal area shall be paid into the funds of the respective taxing districts.

(8) The agency may incur indebtedness, including obtaining loans and advances in carrying out the urban renewal plan, and the portion of taxes received under this section may be irrevocably pledged for the payment of principal of and interest on the indebtedness.

(9) The Department of Revenue shall by rule establish procedures for giving notice of amounts to be raised for urban renewal agencies and for determination of amounts to be raised and distributed to urban renewal agencies.

(10) The notice required under this section shall serve as the notice required under ORS 310.060 for the special levy described under ORS 457.435. [1961 c.554 §5; 1979 c.621 §26; 1981 c.804 §106; 1983 s.s. c.5 §25; 1985 c.613 §17; 1987 c.158 §87; 1991 c.459 §335a; 1997 c.541 §449; 1999 c.579 §26]

457.450 Notice to tax assessor; provision for debt retirement; distribution of remaining tax increment funds. (1)(a) ORS 457.440 shall first apply to the assessment roll next following the tax roll referred to in ORS 457.430 if the assessor is provided notice of a plan adoption or amendment changing area boundaries by the agency prior to January 1 before the tax year to which the plan first applies.

(b) If the assessor is not provided notice of plan adoption or amendment changing area boundaries by the agency prior to January 1 before the tax year to which ORS 457.440 would otherwise first apply, then ORS 457.440 shall first apply to the assessment roll next following the assessment roll described in paragraph (a) of this subsection.

(2) When the principal and interest on indebtedness to which the portion of taxes is irrevocably pledged for payment under ORS 547.435 or 457.440 is fully paid, or it is found that deposits in the special fund are sufficient to fully pay principal and interest on that indebtedness either through direct payment of the indebtedness or by payment of principal and interest on bonds or notes issued to finance the indebtedness, the agency shall notify the assessor of that fact.

(3) All moneys remaining unexpended from the special fund provided for in ORS 457.435 or 457.440, after payment of all the principal and interest on indebtedness is provided for, shall be turned over to the county treasurer by the agency and prorated by the treasurer back to the taxing districts in which the area, or part thereof, is located, in proportion to the amount of money in the

fund attributable to each taxing district for the last fiscal year in which tax levy moneys were paid into the special fund of the agency under ORS 457.435 or 457.440. [1961 c.554 §6; 1971 c.426 §1; 1979 c.621 §27; 1991 c.459 §335b; 1997 c.541 §450]

457.460 Financial report required for agency; contents; notice. (1) An agency shall, by August 1 of each year, prepare a statement on the same basis on which its financial statements are prepared containing:

(a) The amount of money received during the preceding fiscal year under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460;

(b) The purposes and amounts for which any money received under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460 were expended during the preceding fiscal year;

(c) An estimate of moneys to be received during the current fiscal year under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460;

(d) A budget setting forth the purposes and estimated amounts for which the moneys which have been or will be received under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460 are to be expended during the current fiscal year; and

(e) An analysis of the impact, if any, of carrying out the urban renewal plan on the tax collections for the preceding year for all taxing districts included under ORS 457.430.

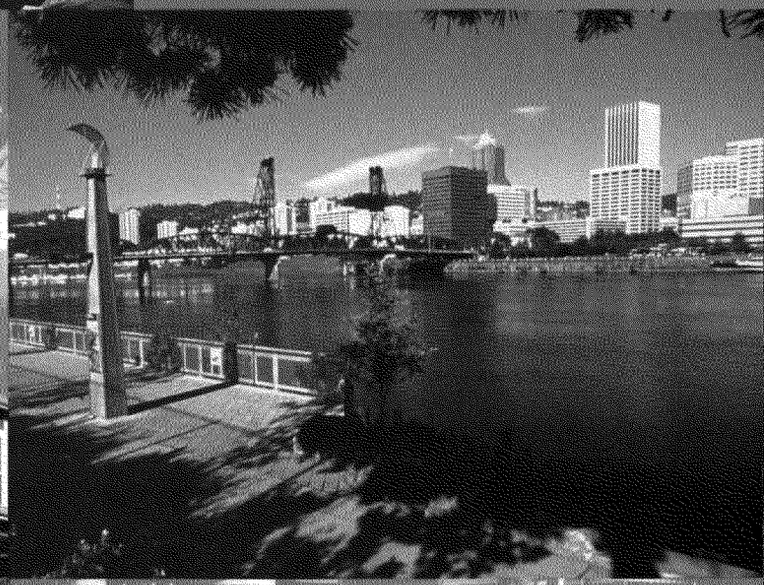
(2) The statement required by subsection (1) of this section shall be filed with the governing body of the municipality. Notice shall be published that the statement has been prepared and is on file with the municipality and the agency and the information contained in the statement is available to all interested persons. The notice shall be published once a week for not less than two successive weeks before September 1 of the year for which the statement is required in accordance with ORS 457.115. The notice shall summarize the information required under subsection (1)(a) to (d) of this section and shall set forth in full the information required under subsection (1)(e) of this section. [1979 c.621 §23; 1991 c.459 §335c; 1997 c.541 §451]

URBAN RENEWAL:

ITS ROLE IN SHAPING PORTLAND'S FUTURE

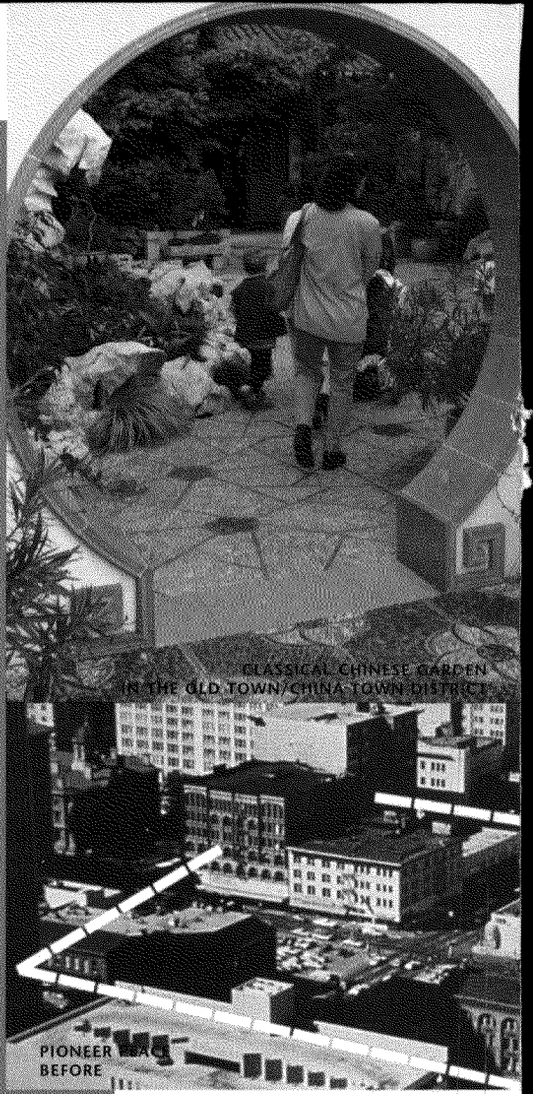
Pioneer Courthouse Square • Waterfront Park • Eastbank Esplanade • Union Station • PSU Urban Plaza • Walnut Park • Oregon Convention Center • Pioneer Place

What do these new or renovated Portland landmarks have in common? Urban renewal. These developments are the result of neighbors, business leaders and city government working together to create positive changes in our community. And that, in a nutshell, is what urban renewal is all about.

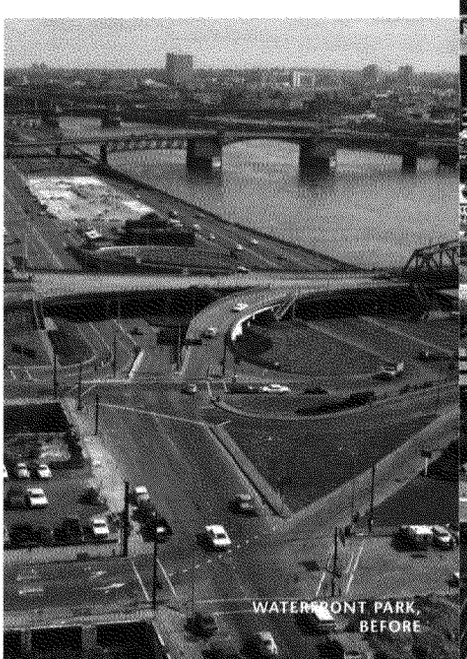


URBAN RENEWAL:

Notable PDC Projects



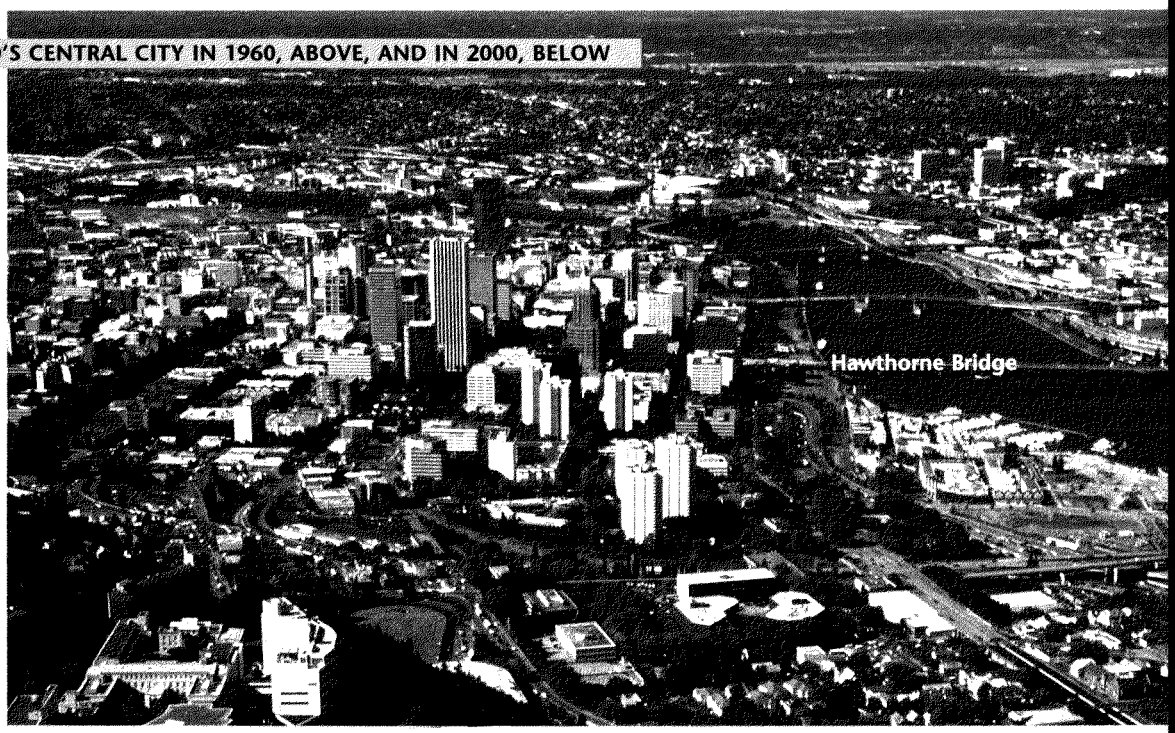
- Pioneer Courthouse Square in the center of downtown, now referred to as "Portland's living room," where public events and gatherings take place year-round. (Completed in 1984, it replaced a former parking lot with a square city block of vibrancy and activity.)
- Redevelopment of both sides of the Willamette River for open space and other uses, including Tom McCall Waterfront Park (which replaced the Harbor Drive expressway in the mid 1970s) and mile-long Eastbank Esplanade (completed 2001).
- Preservation of northwest Portland's historic Union Station, still functioning as a passenger train depot. The surrounding Old Town/ Chinatown area now features a Classical Chinese Garden, Central City Streetcar service, and a rich history that places the neighborhood on the National Register of Historic Places. The nearby Pearl District is transforming into a neighborhood of loft-dwellers in renovated warehouses, and a center for creative services, art galleries, parks and popular restaurants.
- An ongoing partnership with Portland State University that added the South Park Blocks as well as much needed student housing and, most recently, the new PSU Urban Plaza. PDC will continue this collaboration through the construction of a new engineering facility that will provide 21st Century jobs.
- Business loans, storefront grants and home loans to revitalize neighborhoods throughout the city.
- A new four-block office, retail, restaurant and parking facility known as Pioneer Place, located in the heart of the downtown adding new retail vitality to the area.
- Development of the Oregon Convention Center resulting in trade show and convention business for the city as well as redevelopment of the surrounding area. PDC is also supporting the Oregon Convention Center's current expansion.



Urban renewal is a state-authorized, redevelopment and finance program designed to help communities improve and redevelop areas that are physically deteriorated, suffering economic stagnation, unsafe or poorly planned. The Portland Development Commission (PDC) uses urban renewal as a tool to focus public attention and resources in blighted or underused areas to stimulate private investment and improve neighborhood livability.

But how, exactly, has urban renewal performed in Portland? How is it continuing to create new community facilities, open spaces and transportation options, as well as stimulate new jobs and housing opportunities in the Rose City? This document looks briefly at the history of urban renewal and then explores the basics of how it works, why it is the preferred tool for revitalizing some areas, its costs and benefits, and its continuing role in investing in the projects and programs that make Portland a great place to live, work, and play.

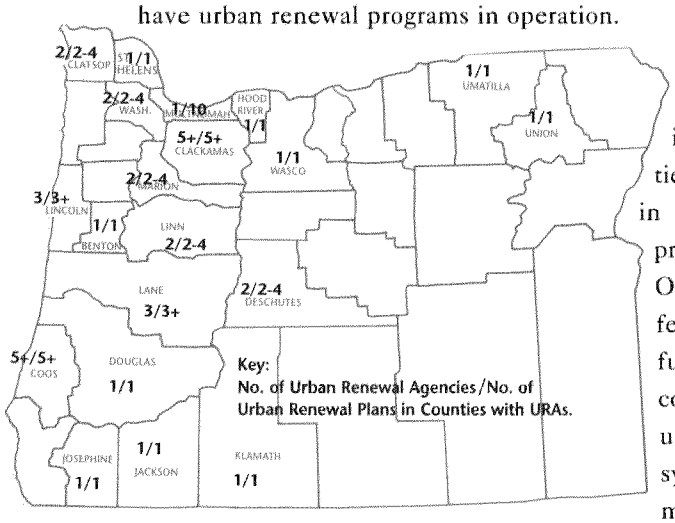
PORTLAND'S CENTRAL CITY IN 1960, ABOVE, AND IN 2000, BELOW



URBAN RENEWAL HISTORY

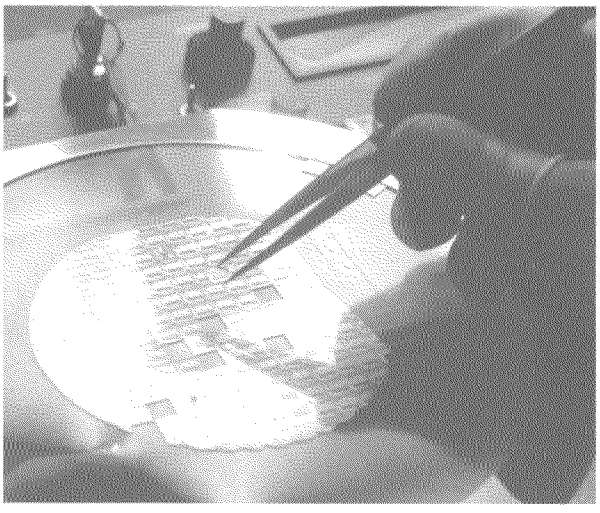
Q. What are the roots of urban renewal?

A. Urban renewal emerged in the late 1940s as an attempt by the federal government to revitalize central cities that were losing population and resources to the new post-war suburbs. More than 40 Oregon cities and counties currently have urban renewal programs in operation.



In 1951 the Oregon Legislature authorized housing authorities to become involved in the urban renewal process and authorized Oregon to receive federal urban renewal funds as well as to collect local taxes for urban renewal in a system called tax increment revenue. Known as ORS 457, this chapter of statutes was later amended to extend the authority to function as an urban renewal agency to city councils, county commissions or appointed separate bodies. In 1958 the citizens of Portland voted to create the Portland Development Commission to serve as the city's urban renewal agency. PDC's Charter was laid out in Chapter 15 of the City's Charter. Since PDC was established as Portland's urban renewal agency, the City Council has created 20 urban renewal areas in Portland. Currently, PDC manages ten active urban renewal areas in the city.

Q. How has urban renewal evolved over the years?



A. Urban renewal has continued to evolve with the wisdom, goals and community needs of the time. Professors at Portland State University* recently wrote that urban renewal in Portland can be divided into three distinct eras: the Era of Grand Projects, the Era of Activism and the Era of Post Modern Urban Planning.

The Era of Grand Projects stretches from the founding of PDC in 1958 to the late sixties and included projects like the South Auditorium, the Albina Neighborhood Improvement Program, Portland State University expansion and Emanuel Hospital. This era was characterized by large-scale land

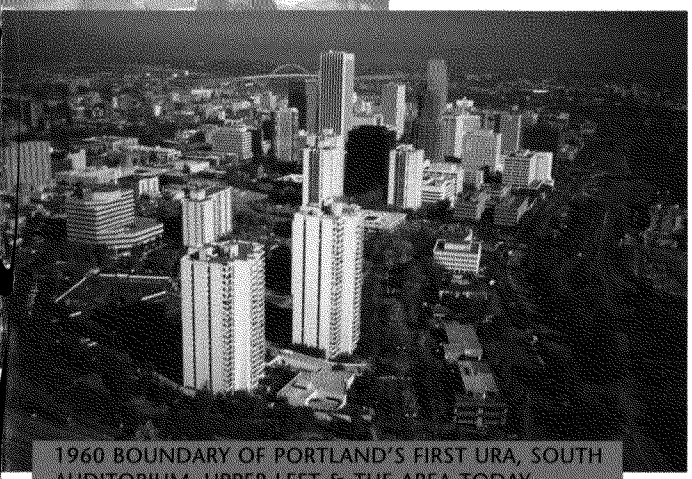
Q What exactly does urban renewal do?

A. Urban renewal funds a variety of capital investments, including:

- Redevelopment projects such as those near light rail lines that combine retail and residential uses.
- Economic development loans for the construction or rehabilitation of business property tied to the creation or retention of family-wage jobs.
- Housing construction and rehabilitation loans and other financial tools to promote ownership and rental housing serving a variety of income levels.
- Streetscape improvements such as new lighting, trees, sidewalks and pedestrian amenities.
- Transportation enhancements such as light rail, streetcars and intersection improvements.
- Preservation of historic properties.
- Construction of parks and open spaces.

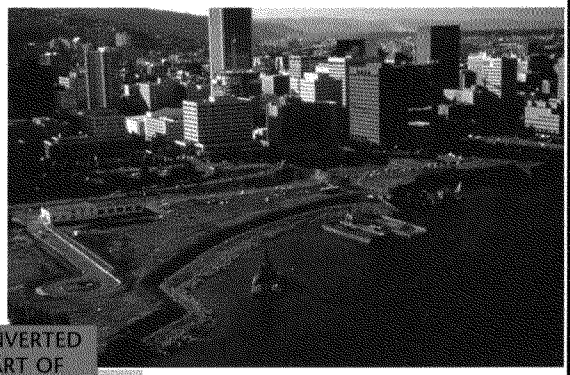
As Portland's urban renewal agency, PDC works within the existing physical and social environment to create and encourage redevelopment opportunities. This process involves extensive neighborhood involvement.

clearance and included projects such as the Ira Keller Fountain, new high rise apartments, business towers and parks. The South Auditorium project alone added more than $394 million to the tax rolls by the time it was completed in 1974.

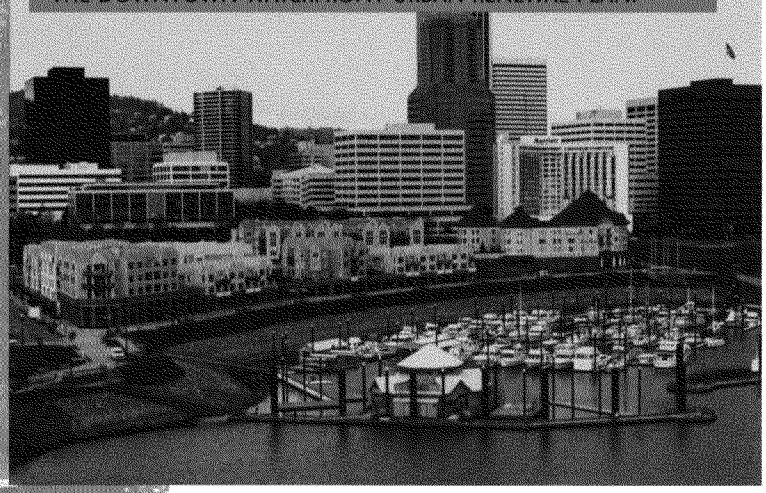


1960 BOUNDARY OF PORTLAND'S FIRST URA, SOUTH AUDITORIUM, UPPER LEFT & THE AREA TODAY.

The Era of Activism is comprised of the years from the late sixties to early eighties, and includes projects such as the Model Cities and Neighborhood Development Programs, and the Downtown Waterfront, N.W. Front Avenue, South Park Blocks and St. Johns Urban Renewal Areas. The outcomes of this era are much more familiar – removing old Harbor Drive and turning Portland's face back to the river with the creation of Tom McCall Waterfront Park; building Portland's living room, Pioneer Courthouse Square, from a former parking lot; taking an underutilized former industrial area along the waterfront and developing a new neighborhood called RiverPlace including housing, a hotel, restaurants, shops, a marina and a health club; and assembling four blocks downtown to serve as a retail catalyst we now know as Pioneer Place. This era saw a focus on job creation and Portland's entrée into the world of semiconductor manufacturing with the recruitment of Wacker Siltronic to the N.W. Front Avenue Urban Renewal Area. It also saw a new focus on housing – more than 10,000 homes were rehabilitated and hundreds of units of new housing were built downtown.

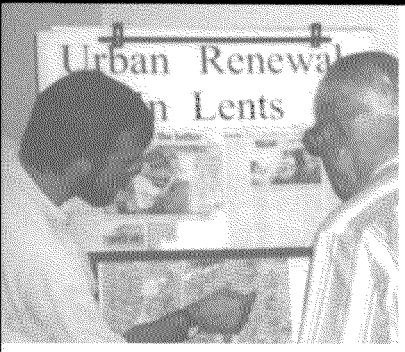


FORMER VACANT INDUSTRIAL LAND (RIGHT) WAS CONVERTED TO A NEW NEIGHBORHOOD CALLED RIVERPLACE AS PART OF THE DOWNTOWN WATERFRONT URBAN RENEWAL PLAN.



Stretching from the late eighties to today is the Era of Post Modern Urban Planning in which the philosophy of mixed-use planning and development took center stage. This era also has seen the firm recognition of the necessity of, and progress toward, broad citizen involvement in decision-making processes. Community outreach in the planning and development of urban renewal areas is extensive and urban renewal advisory committees – the citizen committees that guide work in each individual area – often include more than 50 citizens. The projects of this era reflect recent headlines: the Eastbank Esplanade, Airport MAX, the PSU Urban Plaza and the new streetcar line that runs through it, the Walnut Park Retail Center along Martin Luther King, Jr. Blvd., the Classical Chinese Garden and the sprouting of a whole new neighborhood in the River District.

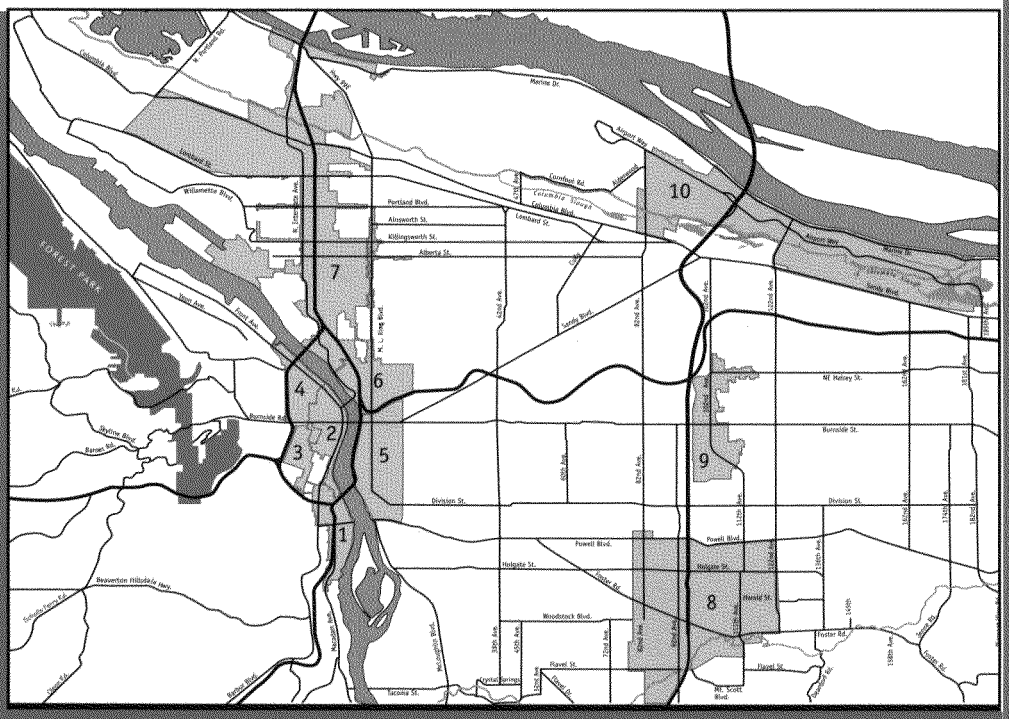
**For a complete version of the History of Urban Renewal in Portland by PSU's Craig Wollner, John Provo and Julie Schablitsky or complete copy of urban renewal legislative history, please refer to PDC's website at www.pdc.us or call 503-823-3200 to request a hard copy.*



URBAN RENEWAL AREA FORMATION

Q. How are urban renewal areas formed?

A. First a community-based steering committee and PDC identify an area that can benefit from physical improvements – generally an area showing some degree of blight, such as poorly constructed buildings, lack of open spaces, deteriorated properties, or an incompatible mix of uses. PDC and the community propose the boundaries to encompass the new urban renewal area (URA).



PORTLAND'S 10 CURRENT URBAN RENEWAL AREAS

The size and composition of Portland's urban renewal areas vary widely, but each is designed to maximize the effectiveness of planned projects and programs. Boundaries are drawn with economic, legal and political considerations in mind. The boundaries of the Interstate Corridor URA, for example, expanded as neighborhoods in north and northeast Portland expressed their desire to benefit from urban renewal programs and dollars.

Residents of single-family neighborhoods encircling the Gateway Regional Center, however, asked that Gateway's URA comprise only the commercial and industrial core of the area. In both cases, an extensive public review process led by a citizen committee helped decide where the lines ultimately were drawn. This citizen input is combined with sophisticated financial analysis to make sure that a proposed plan area is economically feasible, and a legal analysis is done to make sure that the properties to be included in the plan area qualify for urban renewal. Then:

1. The City Council officially approves the boundary line around the area where attention is to be focused, creating an urban renewal area.
2. Based on input from community members and PDC, the City Council approves an urban renewal plan for the URA. This plan describes general goals and objectives and specific improvements to help meet those objectives.

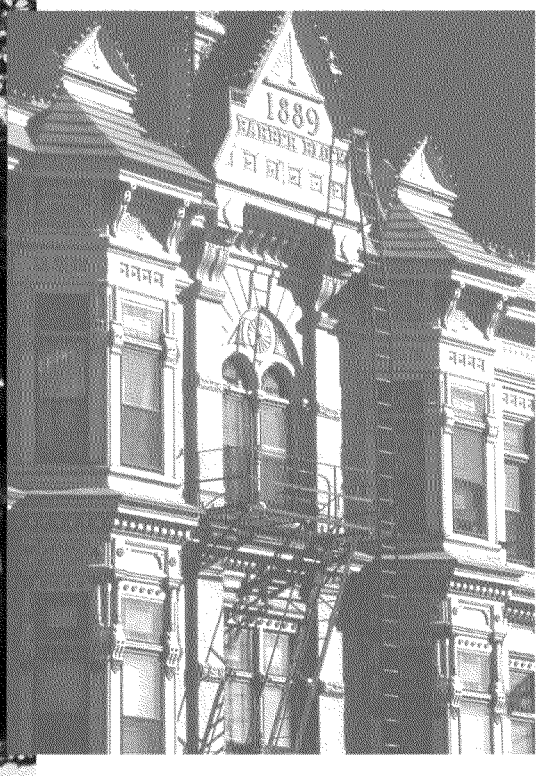
Q Are there limits on Portland's use of urban renewal?

A. Yes. Under state law, the sum of all URAs in any one municipality Portland's size cannot exceed 15 percent of the total assessed value of that municipality or 15 percent of the total land area of that municipality. Currently, Portland's urban renewal areas make up 13.09 percent of the total land area and 9.38 percent of the total assessed value. This limitation serves to protect local taxing jurisdictions that rely on property tax revenues to finance their general funds. During the life of the URA, the local jurisdictions do not participate in the increases in property revenues above the fixed-base which are the result of urban renewal efforts since those dollars go to pay off the urban renewal bonds. However, they reap the benefits of greatly increased revenues when the URA debt is retired.

3. With continuing guidance from the URA's community advisory committee, PDC manages the implementation or construction of specific projects, financing their cost through a combination of tax increment financing (see funding section, page 6) and resources from other public agencies as well as through public/private partnerships.

Q. How much say does the public have in the creation of new urban renewal areas?

A. A lot. Oregon law requires citizens be consulted throughout the urban renewal process. Formation of an URA is designed to have a long-lasting positive impact on neighborhoods, so it only makes sense to consult the people living and working there about the scope, priorities and specifics of improvements. The urban renewal plan, which guides all public spending in the area, is conceived by citizens who are best able to make decisions about how to improve their neighborhood. And everyone benefits from better planning, more open space, more efficient traffic patterns, better transportation options, diversified housing choices, job growth and the other amenities that result from urban renewal – including significant crime reduction.

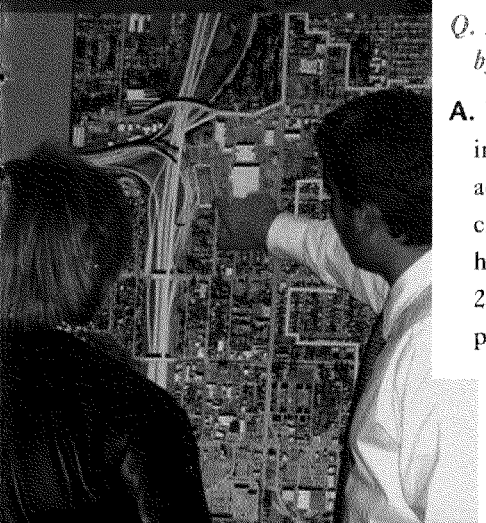


PDC actively solicits community members' ideas through periodic public meetings and open houses, information booths at community events, even door-to-door canvassing. There are also ongoing citizen advisory committees and work groups in each URA guiding the renewal process as it unfolds. For example, a citizen committee of more than 50 people met for several months to draw the boundary of the Interstate URA and craft a list of 11 general principles that guide public investment in that area. A similar process took place in Gateway, where a group of more than 30 citizens worked for nearly two years to envision the area's future and draft an urban renewal plan.

There are also more formal opportunities for weighing in on the urban renewal process. Three public bodies must approve any new URA: PDC, the Portland Planning Commission and the City Council. Other jurisdictions affected by the URA, such as the county or local school district, are invited to comment as well.

Q. How do urban renewal area projects and programs align with goals put forth by neighborhoods, the city and other policymaking bodies?

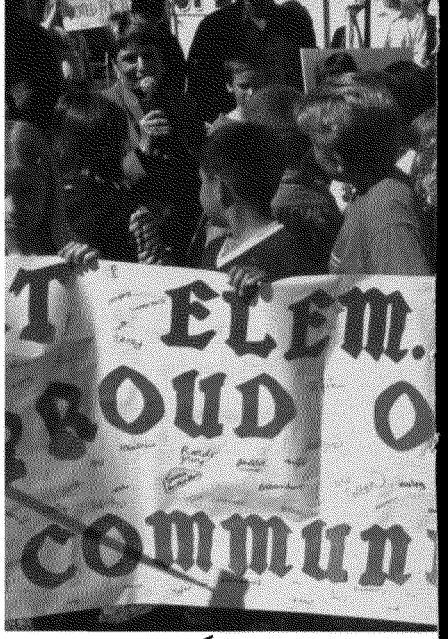
A. Urban renewal helps advance already established objectives by providing a funding method for implementation. Each URA plan specifically lists how it will help achieve neighborhood, city and regional policy objectives. For example, URAs created in the Lents and Gateway areas reflect not only their respective neighborhood plans and the Outer Southeast Community Plan, but also incorporate Metro's 2040 Regional Framework Plan, which calls for enhancing quality of life and preserving open space.



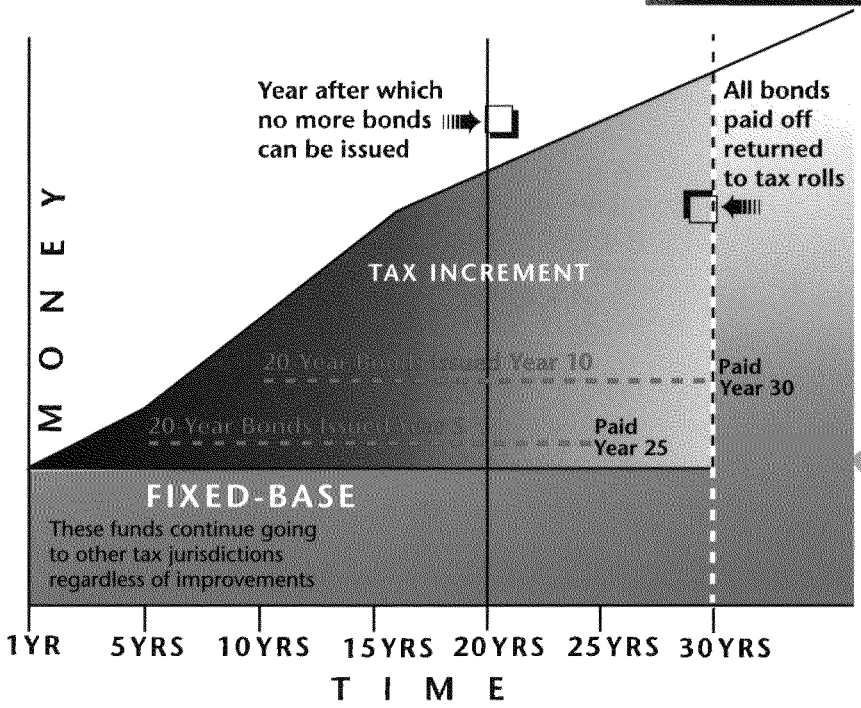
URBAN RENEWAL FUNDING

Q. How is urban renewal funded?

A. Expressed simply, future tax revenues above a fixed-base pay for revitalization efforts in urban renewal areas. When a municipality adopts an urban renewal plan, the assessed value of real property within the urban renewal area is fixed at current levels. The municipality then issues long-term bonds to pay for urban renewal improvements within the urban renewal area. As property values increase due to normal appreciation or as the result of new investment in the area, the corresponding increase in property tax revenues above the fixed-base (called tax increment financing, or TIF) is used to pay the urban renewal bonds. Formation of an urban renewal area does not result in a "new" tax. In addition, it is important to note that taxes below the fixed-base in urban renewal areas continue to go to other taxing jurisdictions such as the county, the city and schools.

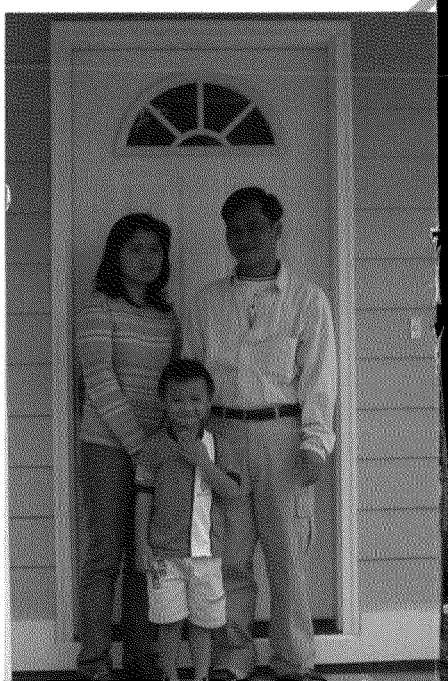


For another perspective: if you live in an urban renewal area, increases in your property value generate taxes that go toward improvements taking place in your neighborhood. When the URA "expires" and the bonds are paid off, the additional property tax revenues return to the general fund of the city, county and other local jurisdictions.

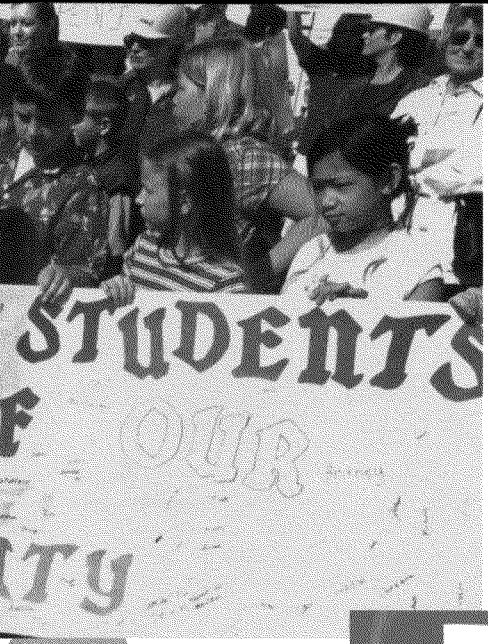


Q. What about changes in urban renewal funding policy?

A. The Oregon Legislature worked to redefine urban renewal financing a number of times. In the 1970s the legislature substantially rewrote Oregon urban renewal statutes, providing direction in the formation and operation of renewal agencies. The legislation expanded the permissible uses of tax increment financing, expanded the definition of "blight" which is a key term for defining an urban renewal district, restricted the percentage of assessed value that could be captured in an urban renewal district, and improved public participation in renewal efforts.



In 1991 the Oregon Legislature passed Measure 5 implementing legislation that required all taxes collected by means of tax increment financing to be categorized as local government taxes subject to the $10/$1,000 real market value tax limitation. For many cities this resulted in levied taxes exceeding the limit, and urban renewal agencies generally reduced or eliminated collecting tax increment revenues to lessen the "compression" losses to general government agencies. Oregon's Tax Court ruled that Measure 5 also applied to taxes raised to repay urban renewal bonds, even those issued before the measure's passage. This nearly eliminated all urban renewal funding in the state.



In 1997 Oregon's taxing structure changed again with the passage of Measure 47 and its subsequent replacement by Measure 50 (due to legal difficulties associated with Measure 47). Measure 50 replaced Oregon's levy-based property tax system with a rate-based system. Because the Measure 50 system of raising urban renewal taxes resulted in 50-60 percent less revenue than under Measure 5, specific provisions of the measure "grandfathered" plans in place as of the effective date of Measure 47, allowing existing urban renewal plans to complete their projects within Measure 5 property tax limits. Governments were allowed to "special levy" to have enough funds to pay off existing bonds and complete existing plans, but those levies are limited by Measure 5's compression effect on the $10 per $1,000 category. This essentially re-established tax increment financing, albeit with changes.

Another factor in the reestablishment of tax increment financing (TIF) was property values working their way out of "compression". Compression is the process of reducing the collected amount of property tax revenue to meet Measure 5 limits. This type of revenue loss is referred to as compression loss. As Portland's property values rose in the 1990s, the compression effect associated with Measure 5 was lessened. Measure 5 had set a tax collection limit of $10 per $1,000 of a property's real market value. In 1991 urban renewal agencies were forced to reduce collection of revenues to meet this limit and avoid compression of government revenues.

However, subsequent rapid growth of real market property values made collection of tax increment revenues possible again by raising the amount eligible for collection. (It is important to note that while property tax rates are generally discussed in terms of assessed value, the limits apply to real market value. Prior to Measure 50, this distinction was unnecessary, as assessed value equaled real market value. Since assessed values were rolled back significantly under Measure 50 and their growth rate capped at three percent per year, they did not grow as fast as real market values, on which the limitations were based.)

On December 20, 2001 the Oregon Supreme Court filed its decision in the *Shilo Inn v. Multnomah County, City of Portland, and Portland Development Commission.* Before the court's decision, all property taxes were categorized based on the nature of the government entity that levies the taxes. The Supreme Court decision found unconstitutional the statute that requires this categorization and directed that taxes divided for urban renewal should be categorized as local government revenues for Measure 5 purposes. The decision reversed the prior Oregon Tax Court ruling that had affirmed the legality of the statutes, and remanded the case to that court for further proceedings.

The Oregon Department of Revenue has adopted new administrative rules, providing the methodology for tax collection that will comply with the Supreme Court ruling. However, the effect of the litigation on Portland's urban renewal financing will not be known until the tax court determines the amount of refund to be paid.

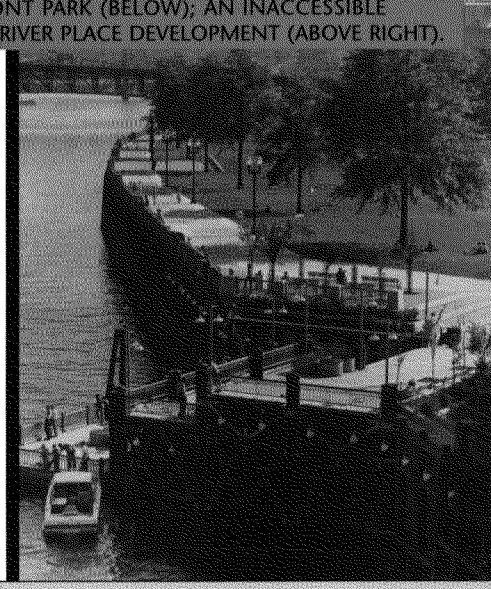
URBAN RENEWAL BENEFITS

Q. What is the benefit of urban renewal in terms of return on investment?

A. Ideally, urban renewal should:

- improve and revitalize specific areas of the city;
- attract new businesses and increase jobs;
- add public improvements and enhanced livability;
- stimulate private investment; and
- increase property values.

Particularly pertinent in Oregon's current recessionary times, urban renewal serves as an essential tool in the city's economic development strategy to make Portland a center for a sustainable regional economy.

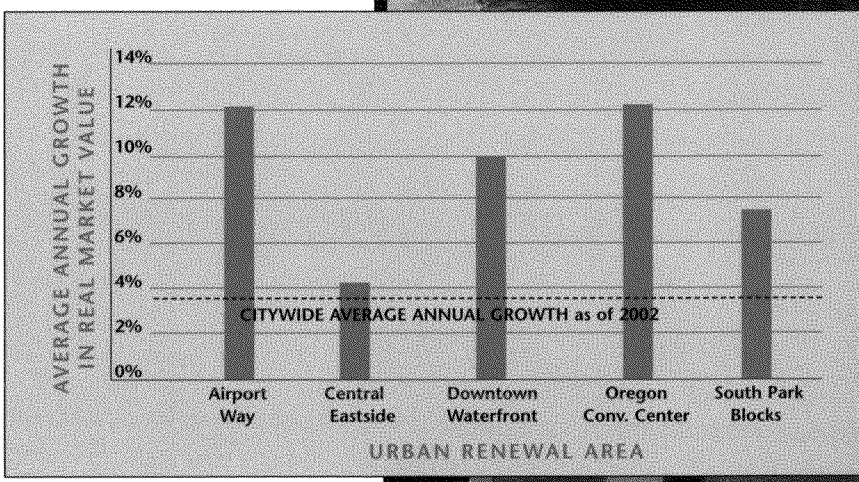


HARBOR DRIVE WAS MOVED AND REPLACED WITH TOM MCCALL WATERFRONT PARK (BELOW); AN INACCESSIBLE RIVERBANK BEFORE RIVER PLACE DEVELOPMENT (ABOVE RIGHT).

We recently took a look at the bottom line contributions of our five oldest urban renewal areas – Airport Way, the Central Eastside, the Downtown Waterfront, the Oregon Convention Center and the South Park Blocks. Here is what we found:

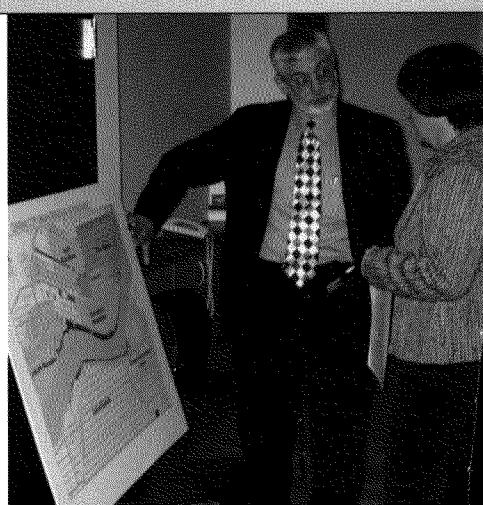
The five areas studied represent five percent of the city's geographical area but now represent 11 percent of its assessed value. Improvements-to-land values have increased in all of the areas except Airport Way, at rates above the city average. The improvements-to-land value ratio measures the value of capital improvements relative to land value. For example, an improvements-to-land value of one to one means the value of structures or "built" assets is worth only as much as the value of the land they occupy.

It is worth noting that in 1974, 34 percent of the properties in the Downtown Waterfront Urban Renewal Area had an improvement-to-land value of .25 to one and 74 percent had a ratio of one to one or less, meaning that three quarters of the properties in the Downtown Waterfront area were worth the same or less than the value of the land. In 2002 properties in the area had a total ratio of 3.6 to one – quite an improvement.



In 2002 inflation adjusted real market value in three of the urban renewal areas (Downtown Waterfront, Airport Way and the Oregon Convention Center) is at least three times greater than when the areas were created. Real market value has more than doubled in the South Park Blocks URA, and increased close to 50 percent in the Central Eastside. In all five URAs, increases in value have outpaced citywide market value growth (see chart at right). Depending on the urban renewal area, real market values increased between five and 13 percent per year through 2002, as compared to an annual average citywide growth rate of approximately four percent. Public capital investments to stimulate private development produce outstanding returns and ultimately stabilize local taxation.

Additionally, the police bureau reports that since 1990, crime has been reduced in four of the areas (figures were not kept for Airport Way) between 25 percent and 65 percent, compared to citywide reductions of 16 percent.



Just in the past five years urban renewal efforts citywide have helped create or retain more than 10,000 jobs and have helped create or rehabilitate more than 7,700 single and multi-family homes.

Q. How does urban renewal leverage private investment?

A. In urban renewal areas, public investment is used as a foundation to stimulate private investment on a much larger scale. The amount of urban renewal funds invested in any one area is small compared to the private investment that follows. Urban renewal is primarily used to update and improve an area's infrastructure – through capital expenditures on transportation improvements and parks, for example – and to provide incentives for desired development such as affordable housing, family-wage jobs and building refurbishment. The result is that private investments pay for the lion's share of new building construction and renovation costs in urban renewal areas.

SNAPSHOT OF FIVE URAs 2002

	Airport Way	Central Eastside	Downtown Waterfront	Oregon Conv. Center	South Park Blocks
Start - Expiration	1986-2011	1986-2006	1974-2004	1989-2013	1985-2008
Total Acres	2,780	681	309	601	161
Value at Start	$249 million	$504 million	$466 million	$465 million	$692 million
Current Value	$1,003 million	$732 million	$1,633 million	$1,585 million	$1,638 million
Avg. Annual Growth in Assessed Value*	+12.9%	+4.7%	+10.4%	+13.2%	+8%
Improvements to Land Value Ratio**	1.81:1	2.35:1	3.55:1	2.73:1	3.24:1
Crime Reduction Since 1980***	n/a	-48%	-65%	-25%	-63%

*Average annual citywide growth rate is about 4 percent.
**Indicates building density and intensity of capital investment.
*** Citywide, reported crimes have dropped by just under 16 percent since 1990.

Q. Why is urban renewal sometimes preferred to other means of improving an area?

A. Urban renewal, particularly tax increment financing, is a simple and reliable way to focus financial resources on a particular area, and an effective means for stimulating and leveraging much larger private investment. While other sources of funding certainly exist, including the City General Fund and local, state and federal grants, they each have their drawbacks and are very limited. The City General Fund is stretched among multiple civil services such as police and fire protection. Obtaining grant money is challenging and often must be very narrowly focused.

Q. How does urban renewal affect Portland property taxpayers?

A. First, the formation of URAs does not result in new taxes. Urban renewal activities are financed by bonds, which are repaid from the tax revenues generated by the increase in value, over time, of properties within the URA boundary. Second, while residents within an URA may see their property values rise, property taxes are based on two things: assessed values, which are limited to a three percent annual increase in most cases and on tax rates.

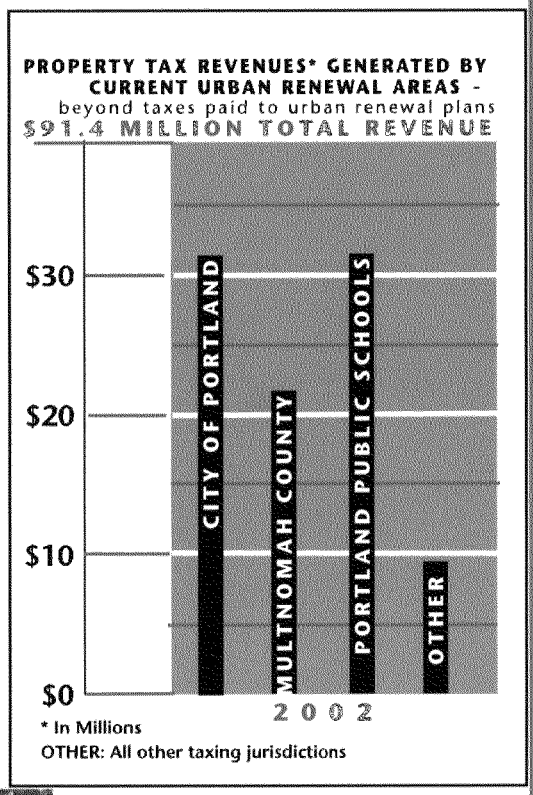
Q. What are the affects of urban renewal on housing affordability?

A. Affordable housing is often a priority in an urban renewal plan. For example, the first priority for money in the Interstate URA is developing and preserving housing affordable to the people most at risk of displacement. Affordable housing projects recently financed by urban renewal funds in Portland include Hamilton West (152 units at

Southwest 12th and Clay Street) and Kafoury Commons (129 units at Southwest 13th and Jefferson Street). As noted earlier, while the market values of property rise faster in URAs, Oregon law limits annual increases in assessed value for tax purposes in most circumstances, even in URAs.

Q. What about involuntary displacement?

A. In the distant past, when urban renewal often involved large-scale redevelopment, many businesses and residents were displaced. However, state law requires the urban renewal agency to compensate business and residences that must be relocated because of an urban renewal project. Those directly displaced by urban renewal were offered incentives and assistance in relocating. Today, however, urban renewal works to revitalize communities with minimal disruption. As an additional safety net, Portland has a "no net loss" housing policy, meaning that either through replacement or preservation, the city will retain at least the current number, type and affordability levels of housing units for people at or below 60 percent of area median income (as set by the federal government.)



Q. How does urban renewal help control growth and congestion?

A. Urban renewal dollars can be used to control growth and improve transportation infrastructure, which includes streets, bridges, sidewalks, etc. In the Gateway Regional Center URA, urban renewal emerged as the most realistic method to influence private development in a way that manages anticipated growth. Included in every urban renewal plan are ways to increase transportation options, better manage existing traffic flow, and direct new construction to enhance livability for current and future residents.

Q. How does urban renewal affect other taxing entities, like the county and school districts, that also depend on property tax revenues?

A. First, rising property values and the resulting growth in property tax revenues from Portland's first ten URAs (now completed), are now part of local jurisdictions' tax base – a tax base that has experienced significant additions due to urban renewal efforts. Second, local jurisdictions are already reaping the benefits of added tax revenues in four URAs that have not yet expired. In 1998 Portland's City Council voted to share tax increment revenues with Multnomah County and school districts whenever they exceed a predetermined amount in those URAs. Between fiscal years 1998 and 2001 this has generated an additional $64.1 million in imposed levy authority for local government and statewide schools. This means additional property tax revenues for police, fire protection, libraries, the Oregon Zoo and other important services.

In Portland's six other active URAs, the tax base has been fixed at pre-urban renewal levels for the life of the URA. All local urban renewal areas continue to collect property taxes at the fixed amount for the life of the URA. Taxes generated from the increased assessed value above the fixed-base are invested in the URA. However, income tax revenue growth generated from newly created jobs in the URAs provides an immediate benefit. When urban renewal areas are retired, recent studies have shown that local jurisdictions access significantly increased property tax revenues.

The many changes it has undergone since its inception assure that urban renewal meets changing community needs, and continues to be an effective way to reinvigorate portions of central cities. In Portland it has brought us new public assets, including some of our most famous landmarks, and provided incentives for private investment that revitalized neighborhoods and created new housing and jobs. Ongoing urban renewal areas promise more of the same, through carefully crafted plans that reflect each area's history, culture and fullest potential. Some upcoming projects worth noting:

CLASSICAL CHINESE GARDEN IN OLD TOWN/CHINA TOWN

- Portland will continue to reclaim the waterfront, extending south from Riverplace into the North Macadam area where plans are to turn underused and vacant riverfront parcels into a center for jobs and housing, interconnected with spectacular greenways.
- By 2010 the 2,800-acre Airport Way URA is expected to become the dominant eastside employment center outside the central city with an additional 10,000 jobs. This includes development of the 120-acre CascadeStation along the Airport MAX light rail line. CascadeStation is envisioned as a transit-oriented, pedestrian-friendly center with Class A offices, hotels, conference facilities, retail shops and restaurants.
- In the north area of the city, some 5,000 new housing units have been built, or are under construction to create a whole new neighborhood in the River District, alongside the new mixed-use development planned for the former Blitz Weinhard Brewery property known as the Brewery Blocks.
- PDC is working with community partners to secure the funding for Vanport Square in Northeast Portland. The three-block, mixed-use project is anticipated to include retail, for-sale and rental housing, a fitness center, commercial office space, restaurant and entertainment venues, a community plaza and parking.
- Future phases of the Eastbank Esplanade are planned and will extend the popular east riverfront walkway south past the Oregon Museum of Science and Industry to connect to the Springwater Corridor Trail.
- Hotel operators continue to express interest in development of a Headquarters Hotel near the Oregon Convention Center. The city, through PDC, has long been interested in development of such a hotel and the convention business it would bring to help maximize the public's investment in the Convention Center and its expansion.

These and all future urban renewal endeavors will be guided by the citizens most affected by them. The public's expanding role in setting urban renewal priorities ensures that plans and projects reflect the right economic, social and cultural mix – and retain Portland's unique neighborhood character.

Pause and think for a moment about the things you like best about Portland – Pioneer Square, the Waterfront, the Classical Chinese Garden, the new storefronts of the shops in your neighborhood, the ability to find an affordable home and a good job, taking the light rail to the airport. These things are all made possible through the prudent investment of urban renewal funds. Now stop and think about your visions for Portland's future. Chances are, urban renewal will help make it happen.

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For more information on PDC's urban renewal areas, plans and specific projects, visit the PDC website at www.pdc.us.

Investing in Portland's Future

PDC

PORTLAND DEVELOPMENT COMMISSION

January 2003

URBAN RENEWAL BENEFIT CASE STUDY I

Total leverage for this project is almost 33:1 of private (taxable) to public (urban renewal) investment. Tax Increment Financing was critical to achieve public objectives of underground parking (which is more expensive to construct) and historic preservation.

BREWERY BLOCKS MIXED-USE DEVELOPMENT PROJECT OVERVIEW

The Brewery Blocks comprise a five-block, 1.7 million square foot redevelopment project between West Burnside and Northwest Davis Streets. It sits at the boundary between Portland's Central Business District and its rapidly redeveloping Pearl District. The blocks formerly housed the historic Blitz-Weinhard Brewery, which closed its doors in 1999. The redevelopment of this significant Portland icon is preserving important historic elements of the brewery, while bringing new uses and vitality to the blocks themselves and the surrounding neighborhood.

BREWERY BLOCKS

Project Details	Block I	Block II	Block III	Block IV	Block V
Office Sq.Ft.	78,000	170,000		280,000	
Total Retail Sq.Ft.	40,000	50,000	51,000	27,000	27,000
Grocery	*40,000*				
Athletic Club			*37,000*		
Other		*50,000*	*14,000*	*27,000*	*27,000*
Miscellaneous Sq.Ft.	10,000				
Total Residential Units			125		245
Condos			*125*		
Apartments					*245*
Completion Date	March '02	Nov. '02	March '04	April '03	TBD

At completion, the blocks will include roughly 530,000 square feet (sq.ft.) of office space, 185,000 sq.ft. of retail, and 370 residential units. The first block is completed and leased, and three additional blocks will be completed by spring 2004. The project's components vary from a low-rise retail and office block to a 10-story office building and an apartment tower. Perhaps the largest speculative development undertaken within the city, its relatively dense mix of current and planned tenants includes a grocery store, athletic club, numerous restaurants and professional services, and the Art Institute of Portland.

The chart above details the project's components and associated timelines. Total developed area upon completion is estimated at 1.7 million sq.ft., including non-leasable (common) space and structured parking, a majority of which is below-grade.

On-site employment is estimated at approximately 2,300 jobs, based upon employee to square footage ratios. These estimates do not include the office component of Phase I, which has been leased to a telecommunications firm with lower job densities.

PRIVATE & PUBLIC INVESTMENT

Total project value upon completion is $294 million, with a taxable value of roughly $270 million. Taxes on this value will be used to repay River District Urban Renewal Area bonds, and will return to the city's general fund tax revenue stream upon the urban renewal area's expiration in 2018.

The public's contribution to project costs is approximately $8 million, $6 million of which will be repaid at eight percent interest over 10 years (to assist with financing the construction of below-grade parking). The remaining $2 million was invested in streetscape improvements throughout the project site.

Total leverage for this project is almost 33:1 of private (taxable) to public (urban renewal) investment. Tax increment financing was critical to achieve public objectives of underground parking (which is more expensive to construct) and historic preservation.

The Brewery Blocks in an example of an ambitious vision that the city was positioned to influence, due to the incorporation of an urban renewal district six months earlier. While the brewery's sale and subsequent closure was not foreseen at the time the urban renewal plan was prepared, the River District Urban Renewal Area was instrumental in providing the city with tools to bring to the negotiation table when the property was resold and the redevelopment was first conceptualized.

ADDITIONAL PUBLIC BENEFITS

Upon project completion, on-site employment will increase 23-fold from its level during the last years of the brewery's operation.

- Brewery Block redevelopment will greatly contribute to the vibrancy of West Burnside, enlivening a gateway to the city and improving public safety through increased street activity. This impact is amplified by the investment the redevelopment encourages on the part of near-by landowners: for example, rehabilitation is already planned for the building immediately across Burnside.

  Historic portions of the brewery – including the armory, brew pub and historic smoke stack – will be preserved and incorporated into the site's new uses, in part due to the availability of tax increment financing funds.

- Portland streetcar ridership will be encouraged by the project's status as a significant new attraction along the line. Likewise, the streetcar line boosts the project's accessibility and integration with downtown and Northwest Portland.

- A significant portion of the project's parking will be below-grade, allowing above-grade floors to host active retail, office and residential uses. This construction was enabled through tax increment financing.

Investing in Portland's Future

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URBAN RENEWAL BENEFIT CASE STUDY II

The project is situated along the MAX light rail line, across the Willamette River from downtown. It is the only affordably-priced residential project currently under planning or construction in the city's transit, jobs and retail-rich Lloyd District.

CASCADIAN AFFORDABLE CONDOMINIUMS PROJECT OVERVIEW

The Cascadian is an urban homeownership project bringing 59 new housing units to Portland's Lloyd District. While all of the units are considered 'market rate,' 45 will be sold for prices below Portland's rapidly rising median home sales price.

SQ. FEET	NO. OF UNITS	PRICE (1000s)	NO. TAX EXEMPT	SQ. FEET	NO. OF UNITS	PRICE (1000s)	NO. TAX EXEMPT
440	6	$99-$125	6	706	5	$149-$177	3
507	1	$113	1	771	5	$129-$149	5
517	6	$75-$99	6	822	1	$160	1
546	1	$89	1	904	5	$204-$324	0
553	1	$115	1	967	6	$162-$244	1
584	5	$98-$112	5	1,300	1	$371	0
585	5	$129-$154	5	1,414	1	$404	0
609	1	$116	1	1,765	1	$504	0
641	1	$118	1	1,940	1	$554	0
697	5	$117-$134	5	2,036	1	$581	0

Expansive windows and good design help to compensate for relatively small unit sizes. Parking at reduced ratios helps to decrease project costs and supports the use of nearby light rail transit. At seven stories of largely steel and glass, the Cascadian is recognized as a modern departure from both recent Central City housing development and the more suburban-scale development typical of the city's eastside.

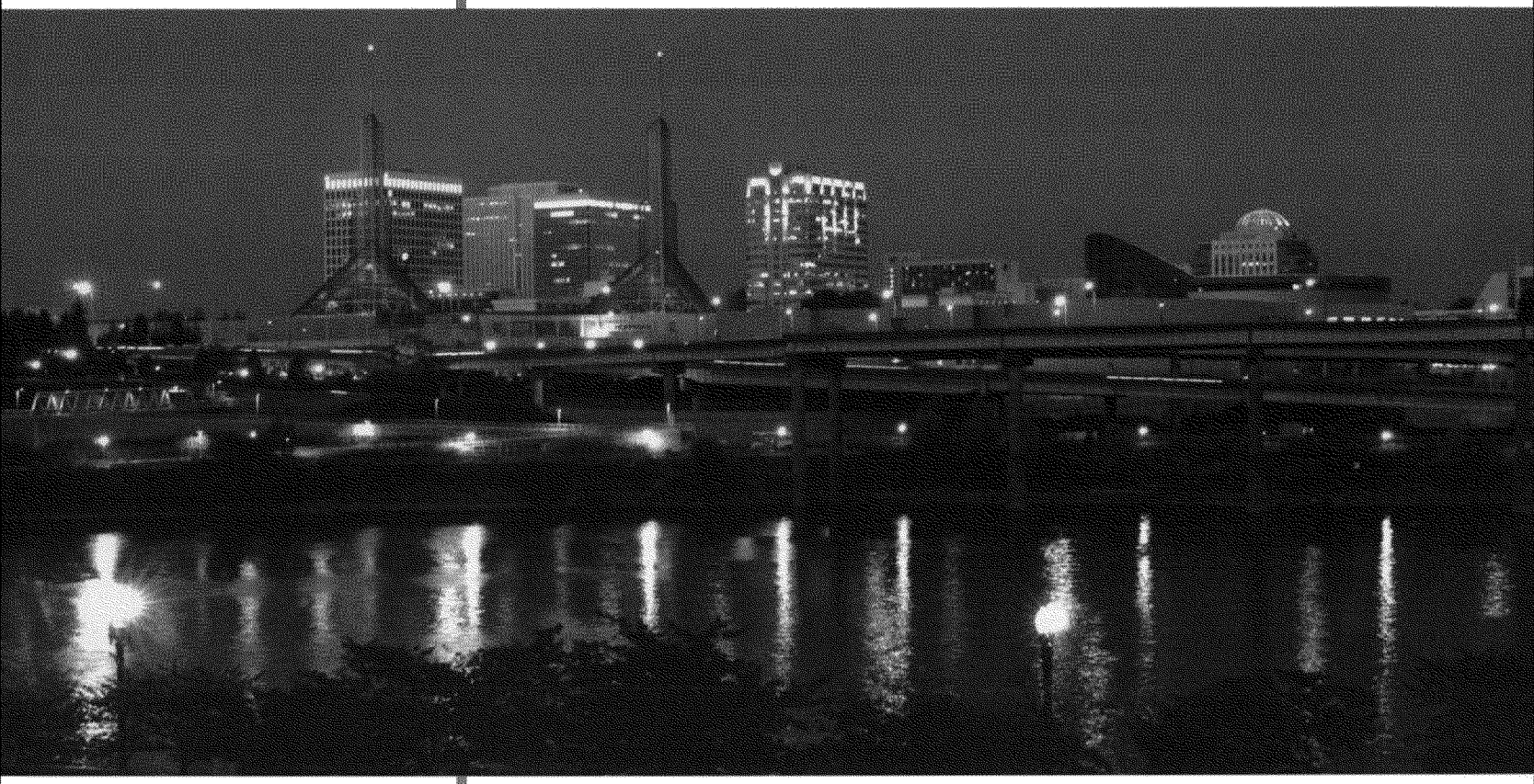
The project was completed in early 2002. As of August 2002, 45 of the 59 units had sold.

PROJECT DETAILS

The chart above details unit sizes and asking prices. A total of 42 units qualify for a limited 10 year tax abatement, further decreasing buyer costs in this home ownership project. The project includes 14 on-site parking spaces. The primary target market is single, Portland employees.

PRIVATE & PUBLIC INVESTMENT

Project costs total $8.2 million, of which $1.2 million was contributed as public investment through tax increment financing. *This equates to a private/public investment ratio of 5.8:1. If all units have sold by 2003, new property taxes on $5.1 million will return to the Oregon Convention Center Urban Renewal Area.* The project's full value in 2002, roughly $10.2 million, will be added to the city's tax rolls when the Oregon Convention Center Urban Renewal District expires.



ADDITIONAL PUBLIC BENEFITS

- The Cascadian brings affordable homeownership units into a Central City area in which no moderately priced projects are currently under construction or planned. Two recently constructed market rate apartment buildings report high occupancy rates, and a 184-unit apartment building is planned across the street that will offer an upper end urban housing product comparable to higher priced residential units available in the Pearl District.
- The Cascadian helps to ensure that the housing developed within the Lloyd District reflects the city's income distribution. The project's affordability – despite cost reductions through small sized units and minimal parking – is directly attributable to TIF funds that reduced total project costs.

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URBAN RENEWAL BENEFIT CASE STUDY III

Neighborhoods on both the west and eastside of the Willamette River are interested in developing streetcar extensions, based upon the success of this prototype for Portland urban transportation.

PORTLAND STREETCAR – PROJECT OVERVIEW

Urban Renewal and tax increment financing (TIF) were instrumental to reintroducing the streetcar to downtown Portland in July 2001, its first appearance since the 1950s. With just under five miles of tracks, the Portland Streetcar connects NW 23rd Avenue with numerous Central City neighborhoods: NW 23rd Avenue/Good Samaritan Hospital, the River District, the Pearl District, downtown's Cultural District, West End, and Portland State University.

The streetcar project was conceived as a means to improve traffic conditions and transportation options within the city's core, the latest chapter in Portland's 1972 commitment to create a 'downtown circulator.' The streetcar was also intended to attract development in the city's newest and now burgeoning neighborhood, the River District.

PORTLAND STREETCAR PROJECT CHARACTERISTICS

Number of Cars:	7	Ridership:	
Employees:	23	Weekdays	4,000
Service Schedule:		Saturdays	4,600
Mon. - Thurs.	5:30 am - 11:30 pm	Sundays	3,300
Friday	5:30 am - 1:00 am	Car dimensions:	8' x 66'
Saturday	7:30 am - 1:00 am	Car manufacturer:	Skoda, Czech Republic
Sunday	7:30 am - 10:30 pm	New improvements:	
Frequency:	15 minutes (daytime)	• Streetcar Arrival Time	
Fare:	Mostly free	• "Ride & Dine"	
	$1.25 outside of fareless zone	• A guide to restaurants along route	

A former 30+ acre abandoned rail yard, the River District has made great strides towards becoming Portland's densest, mixed-use urban neighborhood in less than a decade. In addition to serving new residents and residential development within the River District, the Portland Streetcar is expected to generate investment along the length of its route.

Designed to fit the scale of the neighborhoods through which it travels, the cars share the road with automobiles, preserving on-street parking, auto access to retail uses and pedestrian connections along the route. Its frequent service, route reliability and ease of entrance and exit – in addition to the inherent love of trains held by many residents – led to the city choosing this transit option for downtown and suburb to downtown travel.

PROJECT DETAILS – PRIVATE & PUBLIC INVESTMENT

Total public investment in the streetcar was $56.7 million, including the construction of the line and maintenance facility and acquisition of seven cars. Of the total, $25 million in TIF from the South Park Blocks Urban Renewal Area (URA) was made available for the project. In addition, private sector financing through the formation of a Local Improvement District provided $10.6 million toward the capital costs of the project.

Financial leverage for this public investment is two-fold: first, it ensured that a density of housing units at a prescribed price mix would be constructed in the River District (or that if market conditions declined, the area would be preserved for future residential development). This development contributes significant dollars to repay urban renewal bonds, dollars that will contribute to the city's property tax

Use Classification	Value Increase
Apartment (5-20 units)	38%
Attached housing	23%
Auto garage/service	20%
Church	16%
Community multi-use	20%
Condo	20%
Fraternal building	16%
Garage/parking	20%
Hotel/motel	16%
Industrial, general	34%
Medical	20%
Office	16%
Residential misc.	20%
Restaurant	20%
Retail	16%
Surface parking	16%
Vacant land	19%
Warehouse	20%

revenues at the URA's expiration. Second, the streetcar impacts property values along the length of the line, immediately increasing tax rolls both within and outside of the urban renewal district.

The Use Classification list, left, illustrates the value increase realized by property categories within 100 feet of the line between 1999, when construction of the line began, and 2001, the year the line opened.

Even before the streetcar's completion, properties along the line increased an average of 17 percent over two years, or eight percent annually. This is twice the city's annual average growth in assessed property values.

ADDITIONAL PUBLIC BENEFITS

- The Portland Streetcar provides a convenient and attractive alternative to automobile travel within the Central City and close-in Northwest neighborhoods. This serves numerous public objectives, including:
  - Reducing parking demand
  - Reducing air pollution
  - Encouraging employers to locate in and residents to spend time shopping in and enjoying the Central City.
- Constructing the streetcar through still-developing and redeveloping neighborhoods allows development to respond to the amenity that the streetcar represents, focusing higher densities near this alternative mode of public transportation.
- The increased densities that the streetcar investment was able to ensure contribute to the realization of housing goals for both the City of Portland and the Central City. These goals are essential to retaining investment in the region's core and reducing pressure to expand the region's urban growth boundary.
- The streetcar investment was a factor in influencing the character and dollar value of Central City redevelopment. For example, in the development agreement with Hoyt Street Properties (a primary River District landowner), minimum housing density increased an additional 22 units per acre when streetcar construction began. The development agreement also called for housing that reflects the city's income ranges: 15 percent for extremely low- and low-incomes (less than 50 percent of the median family income) and 20 percent for moderate incomes (up to 80 percent of median family income). Affordable housing development is predicated on the availability of public financial assistance, recognizing the high cost of Central City housing construction. As of July 2001, this developer had constructed 946 units at an average density of 143 units per acre.

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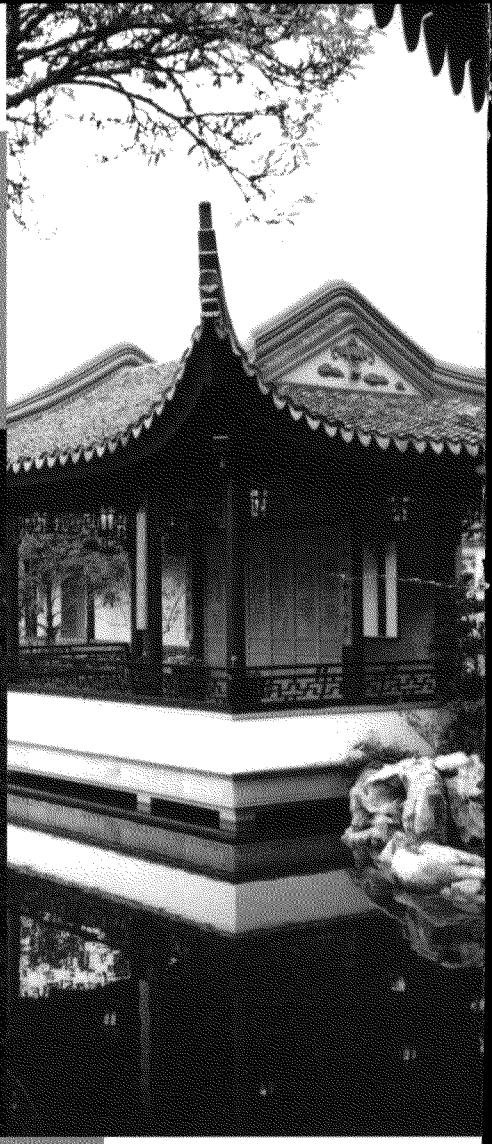
PDC: Investing in Portland's Future

At PDC, our mission is to invest resources, time and professional talent into helping other people succeed. Through a dynamic combination of financial programs, planning and project management, construction projects, and technical expertise, we help grow businesses and jobs, help revitalize neighborhoods, help low-income families buy or repair homes, and ensure new housing is available to people of varying incomes. Simply put, we are a customer service organization linking people and resources to help make Portland a great place to live.

PDC'S MISSION

"To bring together resources to achieve Portland's vision of a diverse, sustainable community with healthy neighborhoods, a vibrant urban core, a strong regional economy and quality jobs for all citizens."



For more than four decades, the Portland Development Commission (PDC) has worked to enhance the Portland metropolitan area's livability. Created by Portland voters in 1958 and serving as a special purpose government, PDC serves as the city's urban renewal, housing and economic development agency. We are governed by a board of five volunteer citizens appointed by the Mayor and approved by the City Council. Reporting to this board is our Executive Director, who oversees the work of PDC professionals in the fields of real estate development, finance, construction, urban planning, project management, economic and community development, architecture, law, communications and other administrative functions.

In carrying forward our mission over the years, we are proud to have played a major role in some of Portland's most important landmarks, including Ira Keller Fountain, the expansion of Portland State University, Pioneer Courthouse Square and Pioneer Place, the Classical Chinese Garden, and Airport MAX. PDC was a key player in redevelopment of both sides of the Willamette River, resulting in the popular Tom McCall Waterfront Park, Riverplace, and the Eastbank Esplanade.

But we are just as proud of our work behind the scenes through many smaller programs that help individuals, one at a time, make better lives for themselves, their families and/or employees. We work in neighborhoods to help revitalize small businesses and main streets, and to create and maintain housing – both rental units and homes for purchase. We work one-on-one to recruit and retain employers and offer a range of services to help businesses grow the local and regional job base.

HOW WE'RE ORGANIZED

Our staff is organized into six departments:

HOUSING, which administers financial resources to stimulate and support development and preservation of single- and multi-family housing throughout the city.

DEVELOPMENT, serving as a catalyst and facilitator for city-identified revitalization projects and for redevelopment of underused or deteriorating areas. This department brings together the public/private partners and financial resources needed to accomplish housing, retail, office and other projects. It also provides market analysis, and district and site planning.

ECONOMIC DEVELOPMENT, which oversees business development and assistance programs offered to companies seeking to establish, expand or relocate facilities in the Portland metro area.

RESOURCE DEVELOPMENT, the mission of which is to identify and secure new resources and revenue to assist in financing PDC projects in all departments and for all aspects of PDC's broad mission.

EXECUTIVE, which encompasses administration, legal, communications, contracting, public affairs, professional services, human resources and information systems support to the entire organization.

FINANCE, providing the budget, accounting and loan servicing functions for the organization.

In delivering our services, however, we stress a cross-functional approach. For example, members of each department work in teams to deliver the full range of PDC services in 10 urban renewal areas. Some services such as housing loan programs and business recruitment/retention efforts are offered citywide. This integration of services assures a comprehensive and holistic approach to building a strong and healthy city.

Our Customer Service Center, created in 2001, strengthens this approach even further. Located next door to our main office, the center brings together staff from our housing, economic development, development and loan servicing areas, making it easy to get loan information/applications and to talk to small business coordinators.

PDC Commissioners, left to right: Janice Wilson, Matt Hennessee, John Russell, Doug Blomgren, Noell Webb

PDC COMMISSIONERS

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janicejean3@attbi.com

PROGRAMS AND SERVICES

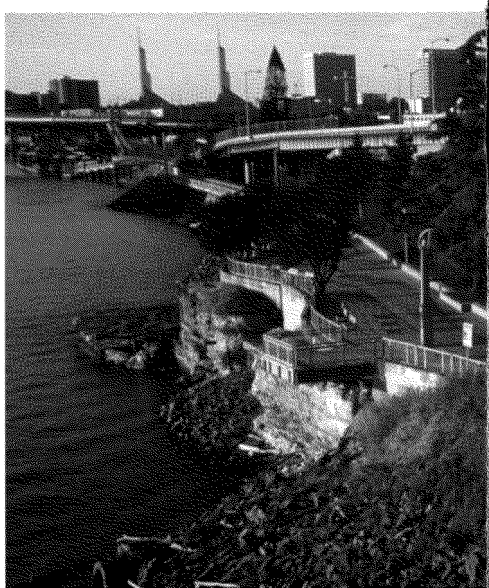
PDC focuses services on neighborhood revitalization, housing development, and job creation (business retention, expansion and recruitment) – all interconnected disciplines. Here is a brief look at what we do in each of these areas:

REVITALIZATION

To keep neighborhoods bustling, we work with residents, renters, homeowners, business owners and nonprofit organizations to expand affordable housing and quality jobs in the city. In distressed areas, we provide market analysis, district planning, development opportunity strategies and site planning to help spruce them up. We assemble underused property and help bring together the public/private partners and finances needed to accomplish housing, retail, office and other projects.

HOUSING

PDC's housing programs target a variety of Portland's housing goals and objectives involving different densities, mixed-use, transit-orientation, and affordability. To help stabilize neighborhoods and keep people in their homes, we offer several loan programs for home purchase, refinancing or repair. We also help finance and develop multi-family housing for a variety of income levels.



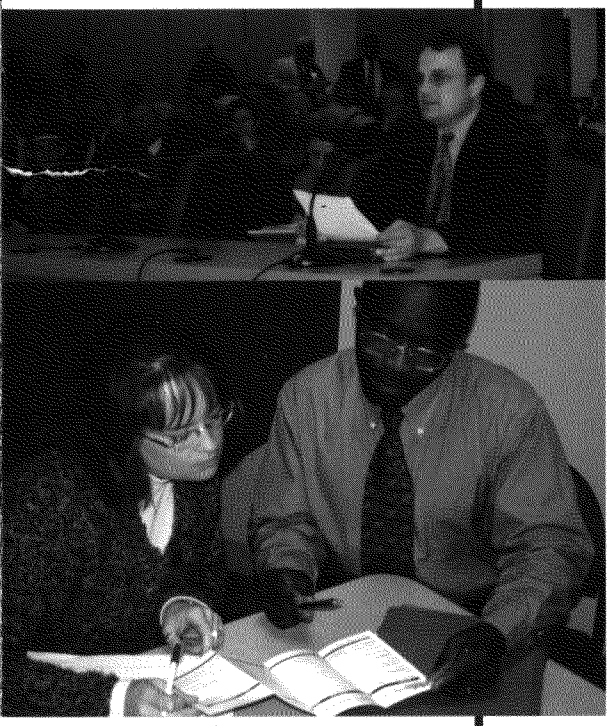
JOBS

PDC offers both direct and indirect assistance to businesses looking to expand or locate in the Portland area. This may include business loans or help locating the right site. We also work to keep local businesses and jobs here. To encourage businesses and new jobs in target areas, we provide geographically-specific small business loan programs and incentives. And through appropriate programs, we work to maximize the prosperity of these identified fast-growing "target" industries in Portland: creative services, high tech, metals, biotech, environmental services, and information technology.

PUBLIC INVOLVEMENT

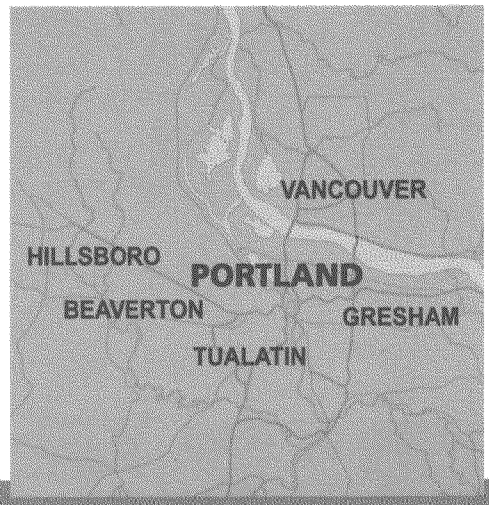
PDC activities are performed with the extensive involvement of community citizens. The Commission meets in regular session once each month and frequently holds work sessions, hearings and outreach meetings, all of which are open to the public.

The agency is guided by a budget that is updated annually with input from community partners. In addition, we have numerous standing advisory committees within each urban renewal area and create ad hoc committees as needed to advise planners on other projects. We often host public "open house" gatherings to encourage residents' input about specific proposed improvements. We believe active citizen involvement helps to promote creative and collaborative solutions at a time when a growing population, shifting economy and declining developable land base pose increasing challenges.



REGIONAL SCOPE

PDC embraces a regional approach to problem-solving and works for many communities in the region through intergovernmental agreements and service contracts. PDC staffs the Regional Economic Development Partnership and is a service provider to a number of local municipalities. We are committed to regional cooperation.



GETTING RESULTS

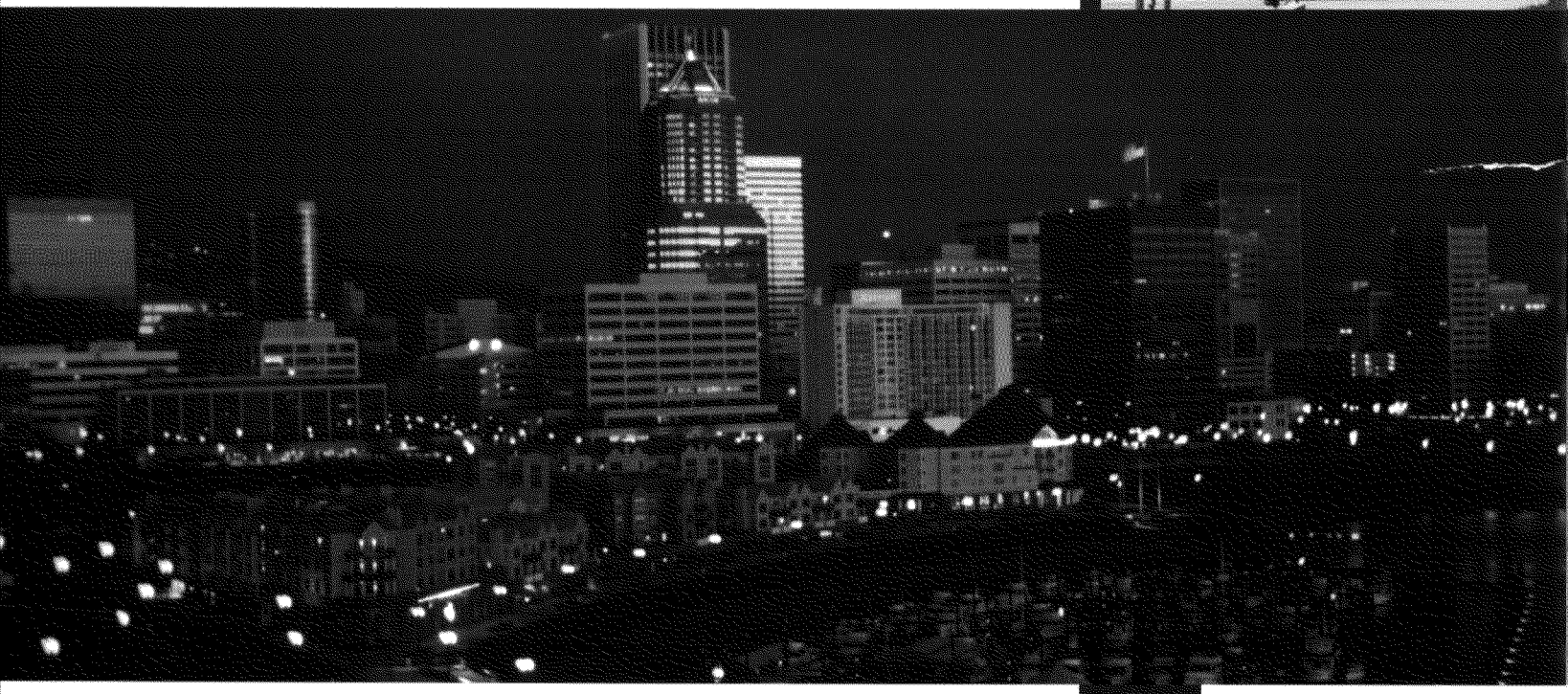
In the past five years, our housing programs have helped create or retain more than 7,700 single- and multi-family housing units. Our economic development programs have helped create or retain more than 10,300 jobs and our various business loan programs have assisted more than 400 local business owners. The city has also created a Small Business Advocate position, located within PDC, charged with overseeing small business activities throughout Multnomah County. This includes developing and implementing policies that promote small businesses, working to keep small businesses in Portland and seeing that they have the resources to grow and expand.

PDC's end product is improved livability for our city and region. Better streets and transit options, new housing geared to varying income levels, new shopping experiences, more parks and open space, and more family-wage jobs – urban renewal brings about holistic changes that enhance the city's livability. But how do we measure improved livability?

One of the ways is to measure how efficiently we use land within our urban growth boundary and by the improvements made to that land. This livability factor is often measured by looking at increases in real assessed market values. In our older urban renewal areas (those created between 1974 and 1989), where the long-term effects of urban renewal are more easily measured, assessed real market value per acre in each district is at least three times greater than when the districts were created. Tax assessed real market values have increased anywhere from four percent to 14 percent annually compared to an annual citywide growth rate of approximately four percent.

Crime rates, another measure of livability, have been reduced by anywhere from 25 percent to 68 percent in the urban renewal areas since 1990 compared to citywide reductions of just under 16 percent.

FUNDING URBAN RENEWAL

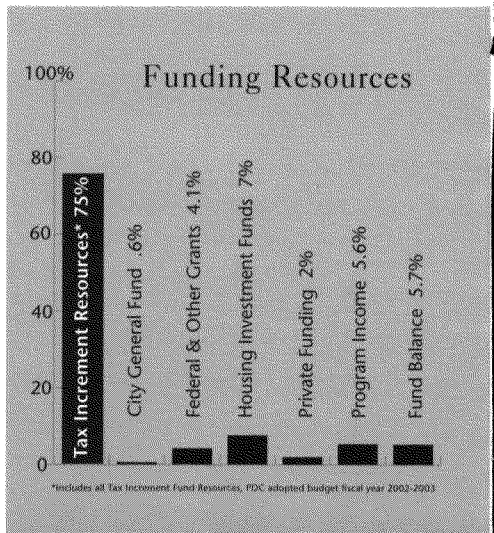


HOW URBAN RENEWAL IS FUNDED

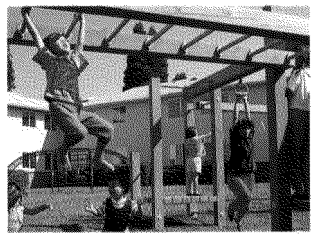
PDC is funded primarily by tax increment financing, which works on a simple premise: future tax revenues pay for revitalization efforts in designated areas of the city. Acting on extensive input from the community and PDC, the City Council first creates an urban renewal district by establishing its boundaries and adopting a plan for improvements. Then the city issues urban renewal bonds to pay for those improvements. As property values increase with the new investment, the rise in property tax revenues – or "tax increment" – goes to pay off the bonds. When they are paid off, all tax revenues within the district become part of normal property tax collections. (Some districts, due to changes in tax law in 1996, are already contributing a significant amount of additional tax revenues to the general tax base.)

In this way, tax increment financing produces new public assets such as streets, lighting, and sidewalks; parks, plazas and greenways; new office and retail space; and historic preservation of Portland's past. Those, in turn, stimulate much greater private investment in the form of new or renovated buildings resulting in new housing, jobs and revenue for community needs.

Rounding out our funding sources are federal and other grants, program income earned on asset management, contracts for services, allocations from the City of Portland's General Fund, and private sector donations and lending agreements. These dollars are put to maximum use as "matching funds" whenever possible. By forging public/private partnerships for many of our projects, we are able to leverage funds from public sources and achieve much greater visions.



URBAN RENEWAL DISTRICTS

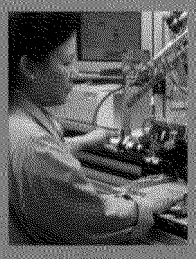


URBAN RENEWAL DISTRICTS:

Where it all comes together

The purpose of urban renewal is to help communities improve and redevelop areas that are deteriorated, unsafe, lacking infrastructure, or have extensive vacant or underused property. In the past four decades, PDC has carried forward 20 urban renewal districts, where an intense focus of programs and services has produced vibrant new places and spaces for living, working and enjoying the special amenities that make Portland a great city. Besides the landmarks mentioned on page two (all products of targeted urban renewal funding), urban renewal helped preserve Portland's historic Union Station and laid the foundation for a whole new neighborhood in the city's River District, expanded the Oregon Convention Center, and transformed a vacant grocery store into the multi-retail Walnut Park Retail Center along Martin Luther King, Jr. Blvd.

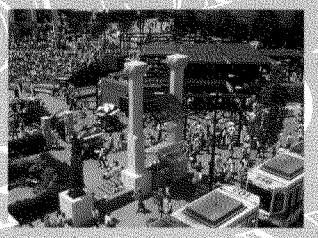
In the future, urban renewal will help Portland continue to reclaim the waterfront, extending south from Riverplace into the North Macadam area where plans are to turn underused and vacant riverfront parcels into a center for jobs and housing, interconnected with spectacular greenways. By funding major roadway and transit improvements in northeast Portland's Airport Way Urban Renewal Area, urban renewal is expected to create a dominant eastside employment center, attracting some 20,000 new jobs by 2010. These are only some of the many examples of how urban renewal has changed, and continues to change, the face of Portland.



OUR WORK IS CURRENTLY FOCUSED IN THE FOLLOWING 10 DISTRICTS:

Urban Renewal District	Objective	Expires
Airport Way	Increase the city's inventory of developable land for industry; create quality jobs and increase job density in the manufacturing and industrial sectors. Stimulate new investment in Cascade Station and Riverside Parkway.	May 2011
Central Eastside	Facilitate job growth and reinvestment to strengthen the district's role as the Central City's eastside employment center, which is supported by a mix of industry, business and housing by direct investment in infrastructure and acquisition of land for redevelopment.	August 2006
Downtown/ Waterfront	Make the Central City more attractive for a variety of activities including work, entertainment, shopping and urban living.	April 2004
Gateway Regional Center	Upgrade transportation and open space networks; stimulate development of new housing, employment and civic institutions such as an education and/or performing arts center.	June 2022
Interstate Corridor	Maximize opportunities and minimize displacement created by construction of the Interstate light rail line in north/northeast Portland; attract small businesses, create jobs and train/educate local residents; stimulate higher density transit-oriented development, including housing; enhance community facilities, parks and open space.	June 2021
Lents Town Center	Strengthen Lents' emergence as a key "town center" in outer southeast Portland by revitalizing its business district, creating family-wage jobs, providing housing for all ages and incomes, protecting the environment, developing parks and creating a community identity.	October 2015
North Macadam	Attract and accommodate jobs and housing, enable OHSU expansion and bioscience research, and create exemplary greenway and open space system.	June 2020
Oregon Convention Center	Complement the Lloyd District's tourism, entertainment and retail strengths with more housing and office opportunities to promote a "24-hour" community; attract a headquarters hotel to maximize the regional potential of the Oregon Convention Center and promote business expansion; target jobs for area residents; revitalize the MLK, Jr. Blvd. and Broadway/Weidler commercial corridors; create a distinct identity; better linkage between all amenities.	June 2013
River District	Stimulate new investment on vacant and under-used land by developing a range of new housing, commercial opportunities and open space, all oriented to the Willamette River.	June 2018
South Park Blocks	Increase middle-income housing; maintain existing low-income housing; expand and upgrade public facilities.	July 2008

HOW TO CONTACT US



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For more information on PDC's urban renewal areas, plans and specific projects, visit the PDC website at www.pdc.us.

Investing in Portland's Future

PDC

PORTLAND DEVELOPMENT COMMISSION

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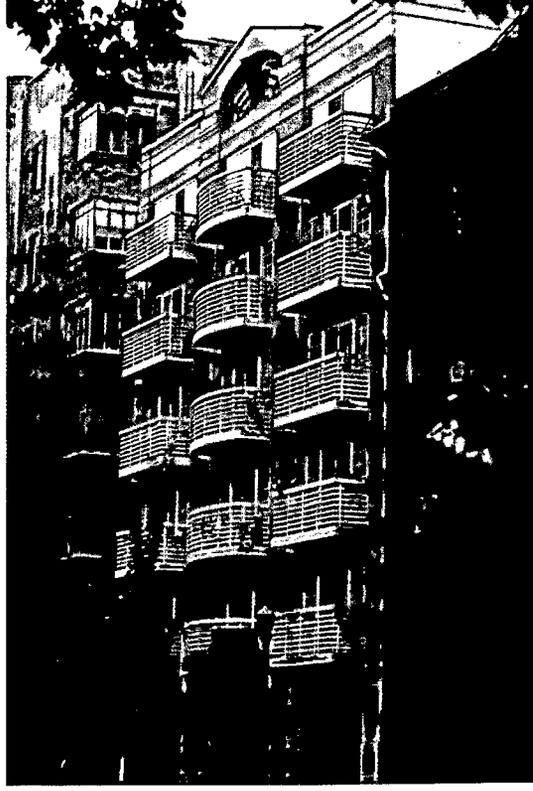

Mixed-income housing in the South Park Blocks Urban Renewal Area.

COVER PHOTO KEY:

Urban Renewal Public Involvement		New business in the North Interstate Urban Renewal Area		City Council hearing
			Soccer in a neighborhood park	Eastbank Esplanade, Central Eastside and Oregon Convention Center Urban Renewal Areas
Walnut Park Mural Project in Oregon Convention Center Urban Renewal Area		Portland Streetcar at Portland State University Urban Plaza		
BACK COVER ⇐	Union Station circa 1920	PDC Public Outreach Meeting	PDC home loan recipient	
		The Yards apartment development at Union Station, River District Urban Renewal Area		Eastbank, "before"

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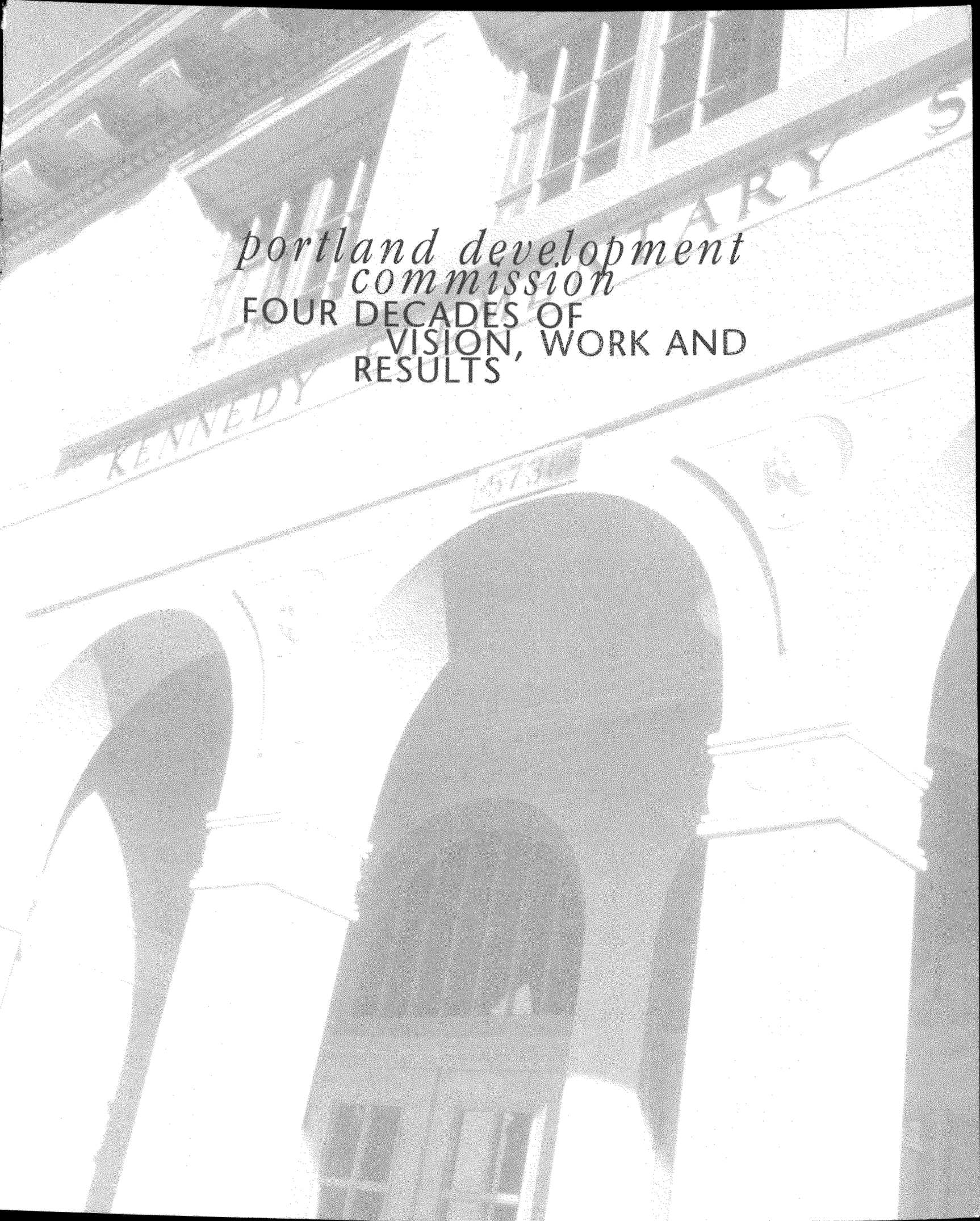


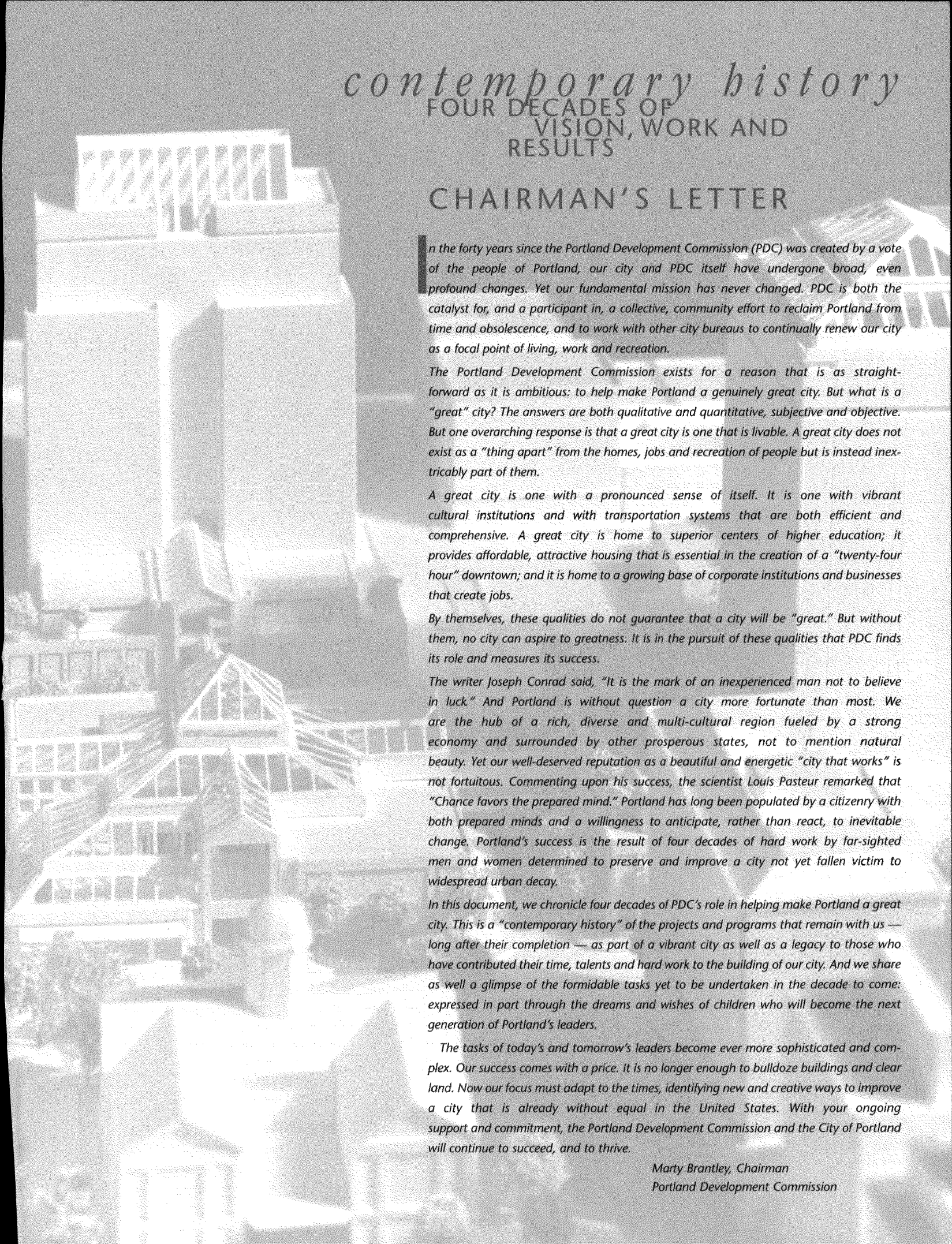
portland development commission

FOUR DECADES OF VISION, WORK AND RESULTS

We can be proud of the human scale of our city, from our thriving neighborhood businesses, to our safe downtown streets and our variety of housing and jobs. We can credit much of the livability of our city to the Portland Development Commission's work of the past 40 years. Since 1958, PDC has been a vehicle for positive change. It has worked with other city bureaus and the citizens of Portland to reclaim and enhance that which makes our city one of the greatest in the land. As we move into the next decade at PDC and into the next century, we must all continue to work together to meet new challenges and to grasp new opportunities.

VERA KATZ

Mayor, City of Portland



contemporary history
FOUR DECADES OF VISION, WORK AND RESULTS

CHAIRMAN'S LETTER

In the forty years since the Portland Development Commission (PDC) was created by a vote of the people of Portland, our city and PDC itself have undergone broad, even profound changes. Yet our fundamental mission has never changed. PDC is both the catalyst for, and a participant in, a collective, community effort to reclaim Portland from time and obsolescence, and to work with other city bureaus to continually renew our city as a focal point of living, work and recreation.

The Portland Development Commission exists for a reason that is as straightforward as it is ambitious: to help make Portland a genuinely great city. But what is a "great" city? The answers are both qualitative and quantitative, subjective and objective. But one overarching response is that a great city is one that is livable. A great city does not exist as a "thing apart" from the homes, jobs and recreation of people but is instead inextricably part of them.

A great city is one with a pronounced sense of itself. It is one with vibrant cultural institutions and with transportation systems that are both efficient and comprehensive. A great city is home to superior centers of higher education; it provides affordable, attractive housing that is essential in the creation of a "twenty-four hour" downtown; and it is home to a growing base of corporate institutions and businesses that create jobs.

By themselves, these qualities do not guarantee that a city will be "great." But without them, no city can aspire to greatness. It is in the pursuit of these qualities that PDC finds its role and measures its success.

The writer Joseph Conrad said, "It is the mark of an inexperienced man not to believe in luck." And Portland is without question a city more fortunate than most. We are the hub of a rich, diverse and multi-cultural region fueled by a strong economy and surrounded by other prosperous states, not to mention natural beauty. Yet our well-deserved reputation as a beautiful and energetic "city that works" is not fortuitous. Commenting upon his success, the scientist Louis Pasteur remarked that "Chance favors the prepared mind." Portland has long been populated by a citizenry with both prepared minds and a willingness to anticipate, rather than react, to inevitable change. Portland's success is the result of four decades of hard work by far-sighted men and women determined to preserve and improve a city not yet fallen victim to widespread urban decay.

In this document, we chronicle four decades of PDC's role in helping make Portland a great city. This is a "contemporary history" of the projects and programs that remain with us — long after their completion — as part of a vibrant city as well as a legacy to those who have contributed their time, talents and hard work to the building of our city. And we share as well a glimpse of the formidable tasks yet to be undertaken in the decade to come: expressed in part through the dreams and wishes of children who will become the next generation of Portland's leaders.

The tasks of today's and tomorrow's leaders become ever more sophisticated and complex. Our success comes with a price. It is no longer enough to bulldoze buildings and clear land. Now our focus must adapt to the times, identifying new and creative ways to improve a city that is already without equal in the United States. With your ongoing support and commitment, the Portland Development Commission and the City of Portland will continue to succeed, and to thrive.

Marty Brantley, Chairman
Portland Development Commission

contemporary history 1958 to 1968

MEMORIES

"I was originally Director of Portland's urban renewal in 1957/1958. I worked for a year and a half promoting the idea of a Portland Development Commission to bring together the resources and interests of the public and private sectors and take advantage of federal funds that were being made available."

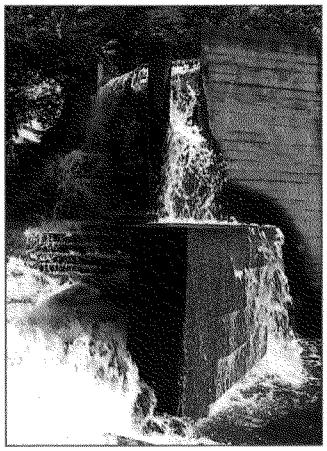
"The PDC was approved by a vote of Portland's citizens in May of 1958, and I was made the first Executive Director. We had started the 54-block South Auditorium Redevelopment Project."

"I served twenty years as PDC's Executive Director, originally for Mayor Sbrunk. Then, and now, our challenge was to redevelop not only parts of the downtown, but to rehabilitate and conserve the total community. Neighborhood revitalization was the focus. We had the first Model Cities Program on the West Coast, a program President Eisenhower initiated. Our Chairman, Ira Keller, was instrumental in uniting the community behind projects such as the South Auditorium renewal: a total of 54 downtown city blocks were renewed, and our fourteen year tax increment bond was called back in seven years."

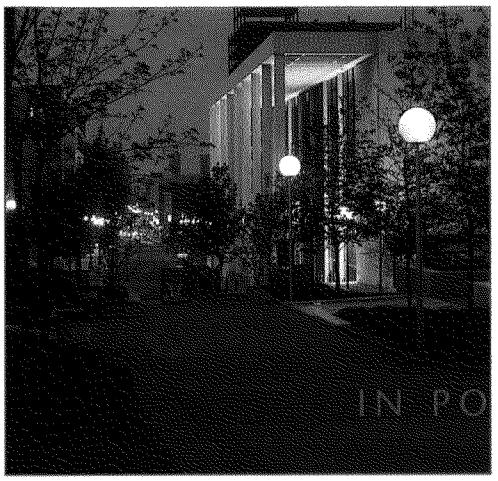
"Something I worked long and hard on was the adoption of Tax Increment Financing with a constitutional amendment approved by the voters of the state in 1961. It's a fabulous bootstrap tool if used carefully, and it has allowed the PDC to proceed with many community improvement projects."

JOHN KENWARD

PDC Executive Director, 1958-1978
Remembering the Decade



PDC's first Urban Renewal Area, South Auditorium, included a remodel of Civic Auditorium and the creation of new fountains, public plazas and housing in a campus-like setting.



URBAN RENEWAL

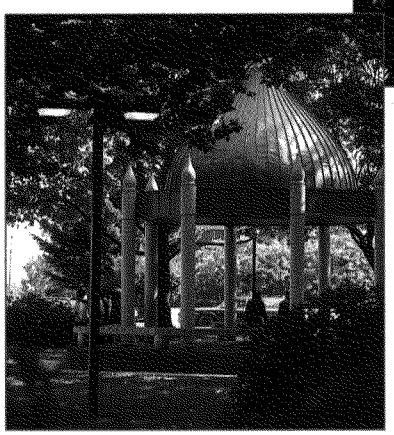
IN THE WORLD, A DECADE OF...

...suburban explosion and urban upheaval. Ten years that witnessed four Presidents, Martin Luther King Junior and Malcolm X. A boyish Arnold Palmer won his first Masters Tournament and 500,000 went to a place called Woodstock. China's Cultural Revolution and Beatlemania began, and the Bay of Pigs invasion ended. The audio cassette, touchtone phone and handheld calculator were electronic marvels of the day. Alaska became the 49th State, the first successful human heart transplant occurred, and drive-in movies and the Hula-Hoop defined popular culture.

IN PORTLAND, A DECADE OF...

...urban renewal. Financed in large part by the Federal Government, cities eagerly developed plans to qualify for Washington's largess. In 1958, the citizens of Portland approved the creation of the Portland Development Commission and its initial charter of urban renewal and civic promotion. PDC would be governed by a board of citizens appointed by the Mayor and responsible to the City Council.

PDC convened its first meeting on July 14, 1958 and the South Auditorium development became its initial, flagship project. With 97 percent funding from private investment, 110 acres were redeveloped. Today, the area is recognized by features such as Civic Auditorium, the Ira Keller Fountain, high rise housing, public plazas and offices in a campus-like atmosphere. What was a district that cost the city more in public services than it received in tax revenue had by 1974 added $394 million of assessed property value to the tax rolls. PDC's work continued throughout the 1960s, including extension of the South Auditorium project and establishment of the Portland State University Urban Renewal Area to expand the campus. PDC's work also branched into the residential neighborhoods with the creation of the Albina Neighborhood Improvement Project, a neighborhood-guided effort that led to housing rehabilitation and the development of Unthank Park, new streets and other area improvements. The late 1960s also brought new federal programs such as the Model Cities Program which provided funds specifically for neighborhood social and economic programs.



Early work also branched into the neighborhoods and included upgrades like this gazebo at Dawson Park.

1958 1959 1960 1961 1962 1963 1964 1965 1966 1967

- PDC chartered. First meeting held July 14, 1958.
- South Auditorium designated first Urban Renewal Area.
- Tax Increment Financing approved by voters.
- Albina Neighborhood Improvement Program begun, bringing new parks, streets, single-family rehab. and area improvements.
- Portland State University Urban Renewal Area designated: expanded campus, converted park blocks to pedestrian mall.
- Model Cities Program begins; Portland is one of 63 cities chosen nationwide for federal assistance to improve neighborhoods.

contemporary history 1968 to 1978

MEMORIES

"To its credit, the Portland Development Commission begged, borrowed and stole every good idea it could find anywhere and everywhere from every major city in the United States."

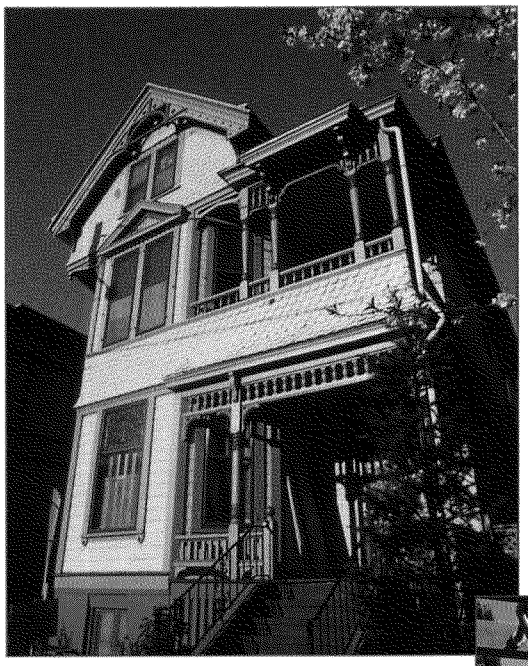
"The PDC began as the offspring of Federal Government subsidies. In fact, in the 1970s, the PDC rehabilitated more homes than any other city in the United States. That's a remarkable record of achievement. But the PDC quickly moved beyond that focus, and from 1968 through 1978 the PDC coordinated and initiated an amazing variety of projects. For example, the establishment of Wacker Siltronics marked the first industrial development project in Portland's history."

"Today, PDC's role continues to evolve. Now, it's not enough to rehabilitate, it's important as well to preserve the city's heritage through restoration. That's a more challenging and sophisticated role for the PDC."

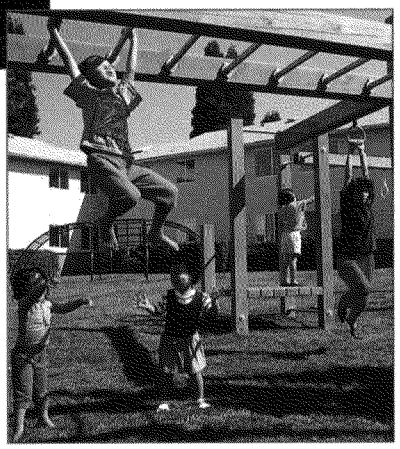
"The city and citizens of Portland have been and continue to be a great teacher in the ways of urban renewal, restoration and reinvention...and PDC has been a willing, able and responsive student."

NEIL GOLDSCHMIDT

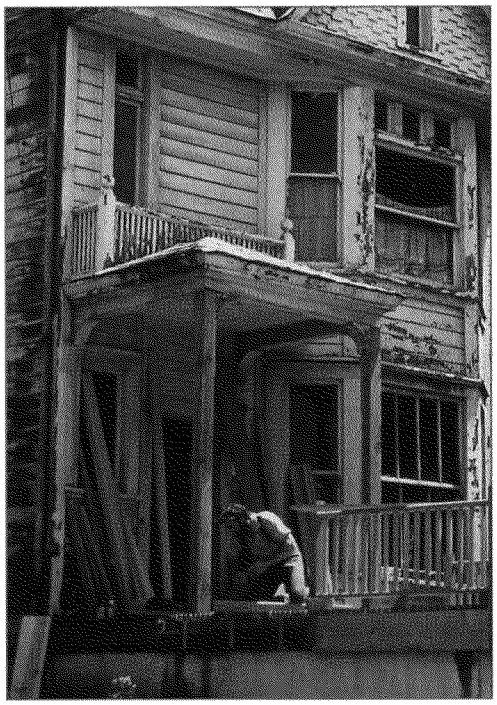
Portland Mayor, 1973-1979
Remembering the Decade



HOUSING



Housing, both multi and single-family; rehabilitated and new; in neighborhoods and the Central City has long been a focus for PDC.



IN THE WORLD, A DECADE OF...

...invention and achievement both mundane and sublime. The personal computer, automatic teller machines, "post-it notes" and the food processor made their debut. Henry Aaron broke Babe Ruth's career home run record, "Roots" was published and Mark Spitz won seven Olympic gold medals. "Jesus Christ Superstar" opened on Broadway, Neil Armstrong walked on the Moon, and "The Poseidon Adventure" began the disaster movie craze.

IN PORTLAND, A DECADE OF...

...increased emphasis on neighborhood revitalization and housing.

As part of a new federal program, PDC created the Neighborhood Development Program targeting five neighborhoods in North and Northeast Portland—Woodlawn, Irvington, Eliot, Boise/Humbolt and King/Vernon/Sabin. The program brought parks, recreation facilities, street trees, street lighting, other new and rehabilitated housing, street improvements and pedestrian greenways to each neighborhood.

Urban renewal areas for Emanuel Hospital, St. Johns and Northwest Front Avenue (now Naito Parkway), where Wacker Siltronics located its semiconductor facility, were also begun in the 1970s, assuring continued major medical facilities in the central city and bringing jobs and revitalization to underutilized areas.

Later in the decade, it became clear that Portland's downtown was suffering. There had been no new downtown retail development in 50 years. The west bank waterfront was isolated by a freeway and consumed by a hodgepodge of industrial development restricting access and enjoyment of the Willamette River. The 1972 Downtown Plan was created to begin addressing the fundamentals of urban planning: the form and function of a vital and exciting city. Beginning with the removal of the Harbor Drive freeway to make way for Tom McCall Waterfront Park, the plan provided a framework for PDC's work into the next several decades.

1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
	■ Ira Keller Fountain dedicated June 23. The New York Times deems it "the most important urban space since the Renaissance."	■ King/Vernon/Sabin Neighborhood Development Program started.	■ Downtown Plan drafted ■ Eliot & Boise/Humbolt Neighborhood Development Programs begin.		■ Downtown Waterfront Urban Renewal Area designated.		■ Urban Conservation Fund begins PDC's role in historic preservation. ■ Harbor Drive closes.	■ Waterfront Park, Phase I completed. ■ Transit Mall completed.	■ NW Front Avenue Urban Renewal Area designated. Wacker builds facility. ■ Emanuel Hospital Urban Renewal Area completed. ■ Rosenbaum Plaza completed: largest federally assisted multi-family rehab. project west of the Mississippi.
	■ Neighborhood Development Programs begin in Woodlawn, Irvington. ■ Emanuel Hospital Urban Renewal Area designated.								

contemporary history
1978 to 1988

MEMORIES

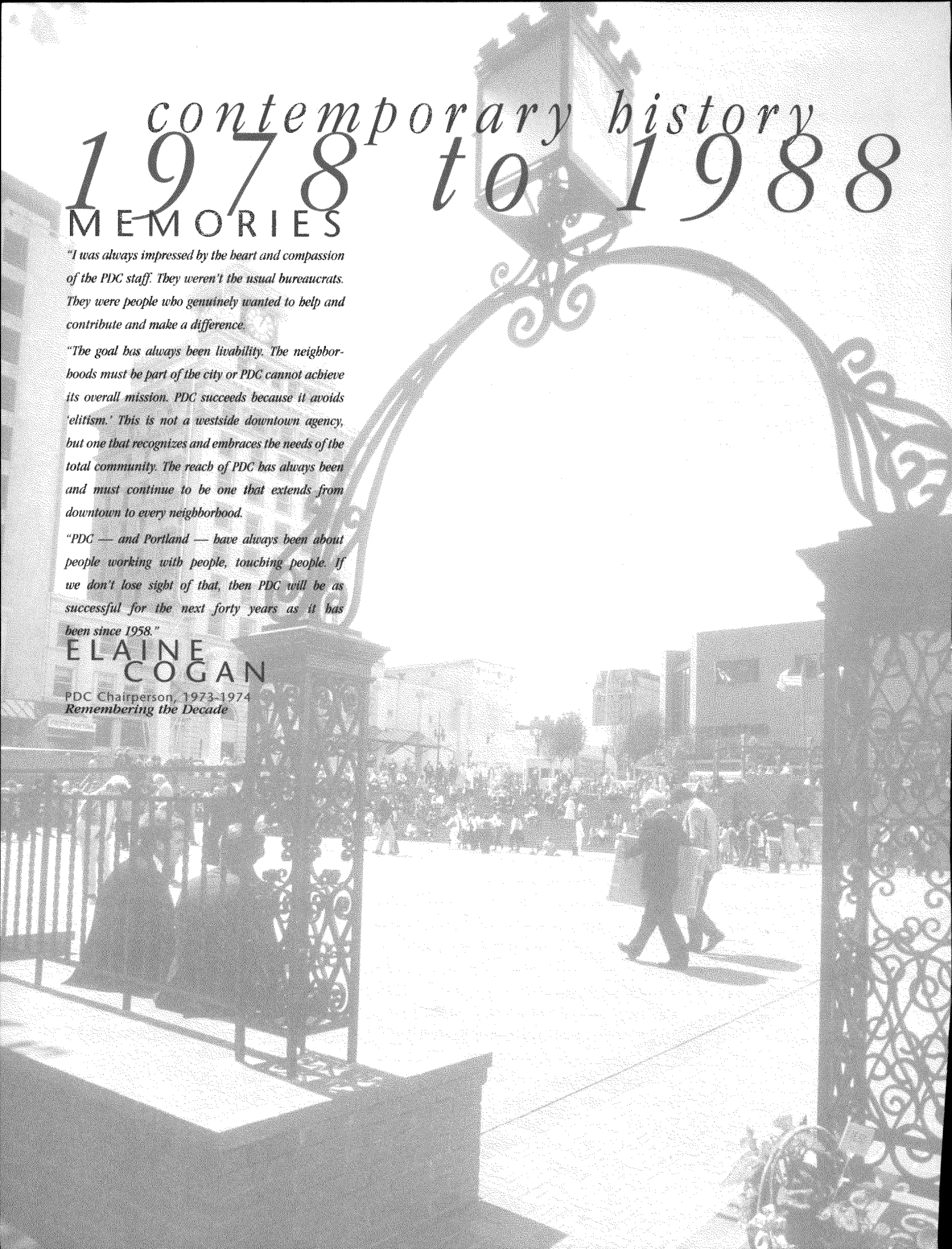
"I was always impressed by the heart and compassion of the PDC staff. They weren't the usual bureaucrats. They were people who genuinely wanted to help and contribute and make a difference.

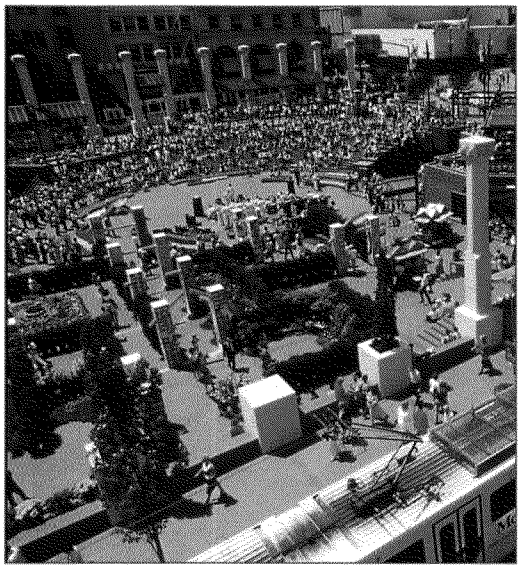
"The goal has always been livability. The neighborhoods must be part of the city or PDC cannot achieve its overall mission. PDC succeeds because it avoids 'elitism.' This is not a westside downtown agency, but one that recognizes and embraces the needs of the total community. The reach of PDC has always been and must continue to be one that extends from downtown to every neighborhood.

"PDC — and Portland — have always been about people working with people, touching people. If we don't lose sight of that, then PDC will be as successful for the next forty years as it has been since 1958."

ELAINE COGAN

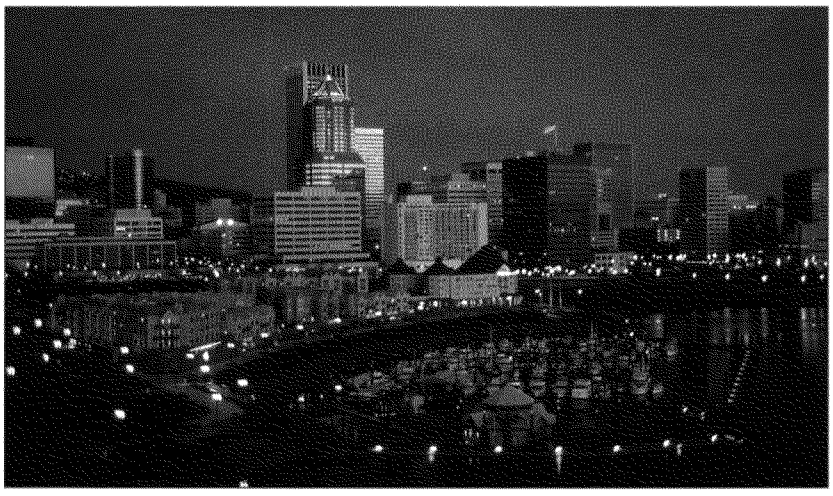
PDC Chairperson, 1973-1974
Remembering the Decade





Pioneer Courthouse Square, a key element of the 1972 Downtown Plan, replaced a parking lot in downtown Portland.

REVITALIZATION



Where there was once underutilized, vacant industrial land, RiverPlace with its shops, restaurants, hotel, marina and housing, has brought Portlanders back to their river.

IN THE WORLD, A DECADE OF...

...the trivial and the profound. The Rubik Cube fascinates and the Chernobyl disaster horrifies. Eras end with the death of John Lennon and the end of a 21-year state of war between Israel and Egypt. "Gorillas in the Mist" is published and a hole in the ozone layer is confirmed. Britain and Argentina war over the Falkland Islands and golfer Nancy Lopez wins a record five consecutive tournaments.

IN PORTLAND, A DECADE OF...

...reinvention and rebirth. It was a time in which the challenges of continually renewing and reinventing a great city became far more complex. It was no longer sufficient -- even possible -- to view urban renewal in terms of heavy-treaded earth movers and armies of hard-hatted workers. It was time for Portland and PDC to look beyond clearing "blighted" areas and look more creatively at ways to anticipate changes in markets, lifestyles and employment opportunities. It was time for Portland and PDC to act, rather than react.

Implementation of the Downtown Plan bridged the work of PDC between the two decades. Elements of the plan such as the Performing Arts Center and Pioneer Courthouse Square were completed and RiverPlace transformed the South Waterfront area with its housing, retail and recreation offerings.

Loss of low income housing downtown was noted. PDC's Single Room Occupancy demonstration garnered national attention as PDC attempted to preserve old residential hotels in downtown.

Urban renewal areas were created in the South Park Blocks with an emphasis on increasing downtown housing; in the Central Eastside, where work included business development and infrastructure improvements; and Airport Way urban renewal took economic development to the metro area's transportation hub, with connections to I-205, I-84, the airport and nearby rail lines.

PDC entered the computer age and our computerized housing rehabilitation programs became a national model.

1979
- St. Johns Urban Renewal Area designated.
- Morrison Park East completed.

1980

1981
- Marriott Hotel completed.

1982

1983
- First PDC trade mission to Japan.
- KOIN Tower completed.

1984
- Pioneer Courthouse Square completed.
- PDC provides 10,000th low interest home rehabilitation loan.
- Three Japanese firms announce investments.

1985
- First phase of RiverPlace completed.
- South Park Blocks Urban Renewal Area designated.

1986
- Eastside light rail opens.
- Airport Way & Central Eastside designated Urban Renewal Areas.
- N/NE Enterprise Zone established.
- PDC's JobNet Program begins linking residents to jobs created.

1987
- Performing Arts Center completed.
- Chinatown Gateway completed.

1988
- South Park Square housing opens in park blocks.
- PDC's Downtown Housing Preservation Program begins.
- South Auditorium Urban Renewal Area completed.
- First Private Lender Agreement for housing formalized.

contemporary history 1988 to 1998

MEMORIES

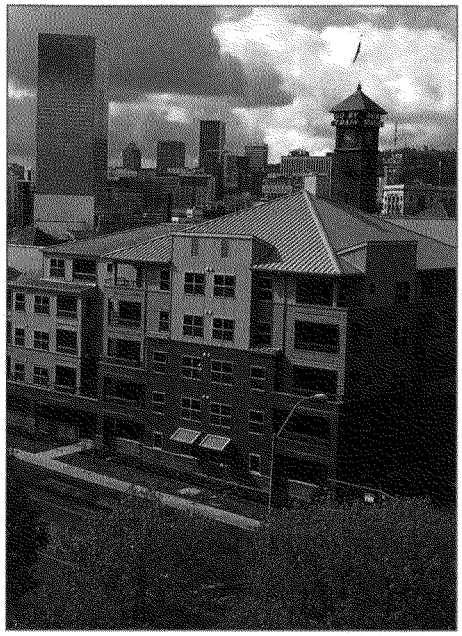
"One of the most important things that we have done over the last ten years is to make sure neighborhood needs and neighborhood participation are part of PDC's overall process. Our relationships and shared visions of what can and should be accomplished here is what has led to some very significant and positive change. PDC's five-year planning process played a key role in these new relationships and as the plan has been implemented, serves to strengthen and reinforce those relationships. We remain in close contact with our community partners beyond the planning stage and have made real and results-oriented efforts to work with minority businesses in the implementation of the plan."

"This has been a decade of cultural change in the organization that has allowed us to move from a purely project orientation to one that understands that we can benefit from widespread involvement while still delivering projects and programs professionally and efficiently."

"One of our key partners, City Council, has been part of this change as well. The working relationship with the entire Council as part of visioning and planning has truly blossomed. And, we are a Commission that effectively engages all of its Commission members in terms of what each of us brings to the table."

CARL TALTON

PDC Chairperson, 1995-1998
Remembering the Decade



COMING OF AGE

IN THE WORLD, A DECADE OF...

...extremes. The Ayatollah Khomeni dies and the Exxon Valdez runs aground in the Gulf of Alaska. The "Blizzard of '96" devastates the Northeast United States and an earthquake wreaks havoc in Los Angeles. An underground tunnel links Britain and France, the Gulf War begins and ends, the World Wide Web emerges and "Titanic" becomes the highest grossing motion picture of all time.

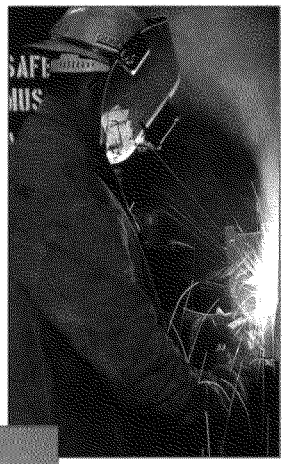
IN PORTLAND, A DECADE OF...

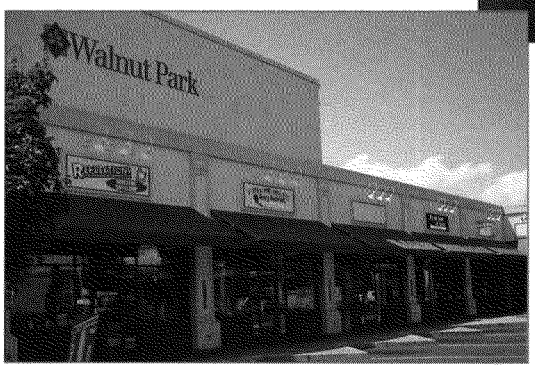
...increasing sophistication and diversity in urban planning. Although PDC's programs had always focused on economic development, the creation of PDC's Economic Development Department in the 80s directed more attention to job creation and retention. International and national marketing efforts led to the growth of the semiconductor industry and expansion of the metals industry in Portland. For the first time in history another industry (high tech) outpaced forest products as Oregon's number one employer. New corporate headquarters like PG&E Gas Transmission Northwest and KinderCare located to Portland. Other firms chose to expand their presence, such as Wacker Siltronics and Oregon Steel. And work was begun to connect residents to the new jobs.

Tourism and convention business thrived with the opening of the Oregon Convention Center in 1990 and new retail vitality was added with the opening of Pioneer Place Phase I a year later.

The Federal HOME Program was introduced allowing federal funds to be used to construct new housing rather than only for the rehabilitation of existing housing.

The Rose Garden sports arena opened. New retail businesses and housing sprung up along N.E. Martin Luther King, Jr. Blvd. New urban renewal areas were created for the River District and the Lents Town Center. Work was begun on the Eastbank Riverfront; development of the North Macadam area; revitalization of the University District, Gateway, Hollywood and St. Johns; expansion of Waterfront Park commenced to the south; and the Yards at Union Station -- nearly 500 units of housing development in the River District were begun.





In the past decade, PDC has come of age with a full range of services within the "livability equation." Revitalization, Jobs and Housing programs all work together and complement one another to ensure Portland remains a genuinely great city.

1989
- Oregon Convention Center Urban Renewal Area designated.

1990
- Oregon Convention Center opens.
- Measure 5 passes.

1991
- Pioneer Place Phase I opens.

1992
- Major sections of Airport Way completed.

1993
- Peter Paulson Housing opens.

1994
- Transit Mall extension completed.
- PG&E Gas Transmission Northwest breaks ground for new corporate headquarters at RiverPlace.

1995
- Rose Garden opens.
- Walnut Park retail center opens in NE Portland.
- LSI Logic announces a new facility in Gresham.
- 1995-1997: 4,161 housing units and 8,583 jobs were created or retained.

1996
- Wacker Siltronics expands.
- Union Station celebrates 100 years.

1997
- Kennedy School opens.
- KinderCare announces corporate move to Portland.
- ANI America builds new facilities.

1998
- River District & Lents designated Urban Renewal Areas.
- New housing opens at Union Station.
- Construction begins for Pioneer Place II & Eastbank Riverfront Phase I.
- Adidas announces move to N. Portland.
- Bechtel partners with the City, Tri-Met & the Port for airport light rail.

dreams of the decade
Young Visionarys
AND BEYOND

URBAN RENEWAL

"I would like to see more parks and houses in downtown."

"I would like to be able to go downtown and feel safe. I would like the graffiti to be gone. I would like people to stop selling drugs."

JOBS & HOUSING

"Maybe homes could be found for the homeless people."

"I want the poor to have houses."

PARKS & RECREATION

"They should have a roller blading bridge."

"I would like to see benches downtown. When people get tired they could stop and rest, then keep on walking. I would like to have a kids' area that wouldn't get messed up. There would be a slide, space for skating, and a playground. It should have flowers around it."

TRANSPORTATION

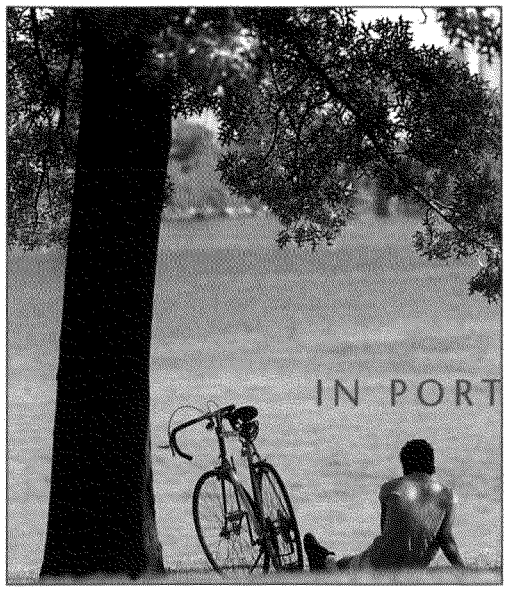
"You should make a bridge that is just for bike riding and for walkers. The road will be steel grating...no pets because of the holes on the road. Their feet might get stuck."

"If we had a subway people could go to downtown without getting into traffic. The price for adults would be two dollars and for children it would be one dollar. The subway would take forty people at a time."

"In 25 years I think we will have an underwater subway. We will also have an underwater bus station."

PORTLAND 3RD GRADERS

Essays for our future.



The Eastbank Riverfront will provide walkers and bicyclists new access to the river.

IN THE WORLD, A DECADE TO COME...

...by 2008, the world will change in ways both predictable and surprising. The planet will continue to be compressed by global telecommunications that are both immediate and broadly accessible. Yet the technological shrinking of the world will not by itself address the fundamental human condition, or the imperative that people and communities join together to improve their cities and the lives of their citizens.

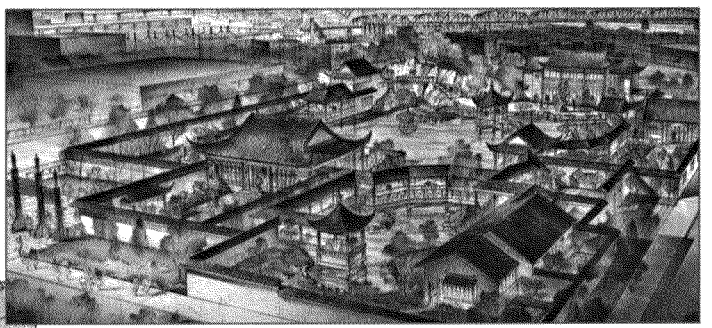
IN PORTLAND, A DECADE ALREADY UNDERWAY...

...for Portland and PDC, success breeds not only success but also more challenges and opportunities.

The next decade will witness both the continuation of work already underway as well as new initiatives.

In the Central Eastside, work on Eastbank Riverfront, extending from the Steel Bridge to OMSI, has begun and will continue over the next ten years. Downtown, a new Portland State University Plaza will take shape; a streetcar line will run from NW Portland to PSU; and development of a Central City Science Park will continue.

HISTORY IN THE MAKING



Portland will be the only American city to possess an authentic Classical Chinese Garden in an urban environment.

The Rouse Company's Pioneer Place Phase II will further expand downtown shopping vitality.

The Gateway area is projected to become the most accessible location in the Portland metro area with two freeways, bus connections and light rail access to downtown and, ultimately, to the airport. For the Inner Northeast, small business lending will be a focus, as well as street improvements on Martin Luther King, Jr. Blvd. and N.E. Alberta Street.

One of PDC's newest urban renewal areas, Lents Town Center, will have new funding to support residential and commercial revitalization and job creation. In the Lloyd District, the development plan will be updated and promotion of high density, mixed-income housing will be emphasized. The River District will witness Phases II and III of the Union Station housing project; construction of the Food Innovation Center; new housing in the Chinatown area and construction of the Classical Chinese Garden at NW 3rd and Flanders.

Commercial, retail and hotel development in RiverPlace will continue, and former industrial land in the North Macadam District will be transformed into a new central city neighborhood with a mix of housing, commercial/retail, hotel, open space and offices on 124 acres of riverfront.

As our city expands in size and swells in population, it is more essential than ever that PDC work with and within the broad community to anticipate change and respond to the needs of citizens well into the next century. We are ready for the challenge.

1999 THE WORK CONTINUES

PDC CHAIRPERSONS: *1958 to 1998*

Ira Keller, 1958 to 1972

John Griffith, 1972 to 1973

Elaine Cogan, 1973 to 1974

Dr. William Jenkins, 1974

Bob Walsh, 1974 to 1976

Bob Ames, 1976 to 1977

Louis Scherzer, 1977 to 1981

William Roberts, 1981 to 1985

Donald Magnussen, 1985 to 1987

Harry Demorest, 1987 to 1991

C. Douglas McGregor, 1991 to 1993

Vern Ryles, 1993 to 1995

Carl Talton, 1995 to 1998

Current Chairperson: Marty Brantley, President KPTV.

Executive Director: Felicia Trader

PDC
PORTLAND DEVELOPMENT COMMISSION

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Portland, OR 97201
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Fax: 503.823.3368
www.portlanddev.org

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AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: October 30, 2003
Agenda Item #: R-4
Est. Start Time: 11:30 AM
Date Submitted: 10/08/03

Requested Date: October 30, 2003 **Time Requested:** 10 to 15 min

Department: Chair's Office, DBCS **Division:** Finance, Budget and Tax

Contact/s: Kathy Turner, Dave Boyer

Phone: 988-3903 **Ext.:** 83903 **I/O Address:** 503/4

Presenters: Dave Boyer, Kathy Turner and Agnes Sowle

Agenda Title: Multnomah County Personal Income Tax Intergovernmental Agreement between Multnomah County and Centennial School District.

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

---

1. **What action are you requesting from the Board? What is the department/agency recommendation?**

   Approve the Intergovernmental Agreement Centennial School District.

2. **Please provide sufficient background information for the Board and the public to understand this issue.**

   - This Intergovernmental Agreement lays out the reporting requirements and administrative procedures to account for and distribute the Multnomah County Personal Income Tax measure 26-48 approved by the voters on May 20, 2003.

   - The personal income tax is effective January 1, 2003 and terminates December 31, 2005, and will fund School programs for fiscal years, 2003/2004, 2004/2005 and 2005/2006.

- Funds from the personal income tax will be distributed to County public schools based on the state school funding, per pupil (ADMw), distribution model. The distribution is based on $618 per ADMw for FY04. The distribution formula will be reviewed and may be changed for subsequent fiscal years.

- HB 5077 appropriates $5.2 billion in state resources to the Department of Education for the 2003/2005 biennium State School Fund. An additional $100 million may be allocated in 2004/2005 if certain state General Fund and lottery revenue targets are met. The bill reduces the 2004/2005 State School Fund appropriation by $285 million if the graduated income tax assessment component of the legislature's revenue package (HB2152) is referred by petition to voters and rejected. It reduces the 2004/2005 appropriation by $414 million if the entire revenue package is referred and rejected. If HB 5077 or any component of HB 5077 is rejected by the voters, the School District agrees to work with the County to ensure that enough funds are placed in reserve to provide for the services outlined in Section 15 below in the second year of the biennium. It is the intent of this agreement that the School District will receive the three-year aggregate total of the Base Funding reduced by any State appropriation to the Department of Education that exceeds $4.8 billion in each of the three fiscal years.

- The County has used its best judgment in estimating the amounts that will be available each fiscal year for distribution to the schools. If collections do not meet expectations the County is not responsible to provide funding for the schools.

- The Measure creates a School Efficiency and Quality Advisory Council ("the Advisory Council") that includes parents, educators, taxpayers, and business, labor, and government leaders to ensure that the funds allocated to the schools benefit students in the classroom and that the personal income tax dollars are well spent. The IGA covers the reporting requirements.

- The Measure provides that independent performance audits will be conducted on the use of funds generated by the measure. The IGA covers this auditing function.

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

The revenues and expenditures of about $90 million for the Schools is included in the adopted budget.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain:

- ❖ **What revenue is being changed and why?**
- ❖ **What budgets are increased/decreased?**
- ❖ **What do the changes accomplish?**
- ❖ **Do any personnel actions result from this budget modification? Explain.**
- ❖ **Is the revenue one-time-only in nature?**
- ❖ **If a grant, what period does the grant cover?**
- ❖ **When the grant expires, what are funding plans?**

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

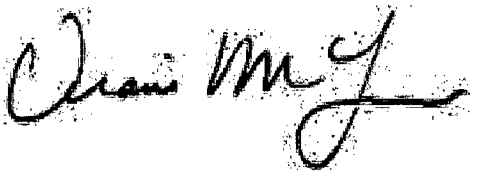
4. **Explain any legal and/or policy issues.**

Meets the County's legal requirements and is consistent with County policies

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

None.

Required Signatures:



Department/Agency Director: **Date: 10/16/03**

Budget Analyst

By: **Date:**

Dept/Countywide HR

By: **Date:**

MULTNOMAH COUNTY CONTRACT APPROVAL FORM

Contract #: 0410534

Pre-approved Contract Boilerplate (with County Attorney signature) ☐Attached ☐Not Attached Amendment #:

CLASS I	CLASS II	CLASS III A
Contracts $75,000 and less per 12 month period	Contracts over $75,000 per 12 month period	☐ Government Contracts (190 Agreement)
☐ Professional Services Contracts ☐ PCRB Contracts ☐ Maintenance Agreements ☐ Licensing Agreements ☐ Public Works Construction Contracts ☐ Architectural & Engineering Contracts ☐ Revenue Contracts ☐ Grant Contracts ☐ Non-Expenditure Contracts	☐ Professional Services Contracts ☐ PCRB Contracts ☐ Maintenance Agreements ☐ Licensing Agreements ☐ Public Works Construction Contracts ☐ Architectural & Engineering Contracts ☐ Revenue Contracts ☐ Grant Contracts ☐ Non-Expenditure Contracts	☐ Expenditure ☐ Non-Expenditure ☐ Revenue **CLASS III B** ☒ Government Contracts (Non-190 Agreement) ☒ Expenditure ☐ Non-Expenditure ☐ Revenue ☐ Interdepartmental Contracts

Department: Finance Budget and Tax Division: Tax Date: October 16, 200
Originator: Theresa Sullivan Phone: (503) 988-3635 Bldg/Rm: 501/4th floor
Contact: Dave Boyer Phone: (503) 988-3903 Bldg/Rm: 501/4th floor
Description of Contract:

RENEWAL: ☐ PREVIOUS CONTRACT #(S): None
RFP/BID: RFP/BID DATE: N/A
EXEMPTION #: ORS/AR #:
Effective DATE: EXPIRATION DATE:
CONTRACTOR IS: ☐ MBE ☐ WBE ☐ ESB ☐ QRF State Cert# or ☐ Self Cert ☐ Non-Profit ☒ N/A *(Check all boxes that apply)*

Contractor Centennial School District
Address
City/State Troutdale, Oregon
ZIP Code
Phone (503) 760-9610
Employer ID# or SS#
Contract Effective Date July 1, 2003 Term 6/30/06
Amendment Effect Date New Term Date

Remittance address *(If different)*

Payment Schedule / Terms
☐ Lump Sum $ ☐ Due on Receipt
☐ Monthly $ ☐ Net 30
☒ Other $ ☐ Other

Original Contract Amount	$15,000,000
Total Amt of Previous Amendments	$
Amount of Amendment	$
Total Amount of Agreement $	$15,000,000

☐ Requirements Funding Info:

Original Requirements Amount	$
Total Amt of Previous Amendments	$
Requirements Amount Amendment:	$
Total Amount of Requirements	$

REQUIRED SIGNATURES:

Department Manager		DATE 10/8/03
Purchasing Manager		DATE
County Attorney		DATE 10/8/03
County Chair		DATE 10.30.03
Sheriff		DATE
Contract Administration		DATE

COMMENTS:

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-4 DATE 10-30-03
DEBORAH L. BOGSTAD, BOARD CLERK

Multnomah County, Oregon
Centennial School District

Multnomah County Personal Income Tax
Intergovernmental Agreement

THIS AGREEMENT entered into by and between Multnomah County, Oregon, hereinafter "County", and the Centennial School District hereinafter "School District", and is dated_____2003.

WITNESSETH, the parties hereto recite the following reasons for entering into this agreement:

A. On March 13, 2003, the Multnomah County Board of Commissioners passed Resolution 03-037 resolving, in part, to refer a Measure to the voters to impose a personal income tax.

B. On May 20, 2003, the voters of the County passed a temporary three-year personal income tax, Measure 26-48 "Measure," that will provide an estimated $128,000,000 to $135,000,000 each fiscal year in funding for County School Districts, County Programs, Auditing and Collection Costs.

C. The personal income tax rate is 1.25% on Oregon taxable income after deducting for either single exemptions of $2,500 or joint exemptions of $5,000 and is levied on County residents.

D. The personal income tax is effective January 1, 2003 and terminates December 31, 2005, and will fund School programs for fiscal years, 2003/2004, 2004/2005 and 2005/2006.

E. The personal income tax is due on April 15 beginning in year 2004 and ending in year 2006.

F. County Personal Income Tax Administrative Rules allow employers the option to deduct personal income tax withholdings from the paychecks of County residents.

G. County Personal Income Tax Administrative Rules allow for estimated quarterly payments to be made by County residents.

H. It is expected that the majority of the tax receipts will be received by the County in April, May and June of each year.

I. The Measure creates a School Efficiency and Quality Advisory Council ("the Advisory Council") that includes parents, educators, taxpayers, and business, labor, and government leaders to review expenditures by county school districts of funds generated by the Measure and to oversee the new local revenues for the benefit of students.

J. The School District's governing body has statutory authority under ORS 332.072 through 332.111 to administer the instructional and financial programs of the School District. Nothing in this agreement is intended to abrogate this statutory responsibility.

K. The Measure provides that independent performance audits will be conducted on funds generated by the measure.

NOW THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. The County has used its best judgment in estimating the amounts that will be available for distribution to the School District.

2. Funds from the personal income tax will be distributed to the School District and the County based on the following table. The distribution split will be reviewed and may be changed based on the outcome of a referendum to rescind the State tax surcharge as it impacts State school funding. The funding level below is considered the base funding level and that the base funding will be increased in FY 2004/2005 and 2005/2006 by the Portland Consumer Price Index for All Urban Consumers (CPI-U) as of February of each year.

	Amount		Percent of Total
County Schools	$93,327,900		70.5%
County Programs	$32,000,000		24.2%
Administration	$7,008,510		5.3%
Total	$132,336,410		100.0%

3. Funds from the personal income tax will be distributed to School District based on the state school funding, per pupil (ADMw), distribution model. The 2003/2004 distribution is based on $618 per ADMw. The distribution formula will be reviewed and may be changed for subsequent fiscal years.

4. The County shall apportion to the School District an aggregate amount of 4.323% of the net personal income tax cash receipts received. The apportionment and distribution to the School District is based on the table below:

	ADMw	Estimated Amount to be Apportioned	Percent of Distribution
Centennial	7,402	$4,574,436	4.323%
Corbett	720	$444,960	.420%
David Douglas	10,976	$6,783,168	6.410%
Gresham-Barlow	12,427	$7,679,886	7.257%
Parkrose	4,376	$2,704,368	2.556%
Portland Public	59,178	$ 36,572,003	34.560%
Reynolds	12,357	$7,636,626	7.217%
Victory Middle School	137	$84,666	.080%
Riverdale School District 51J	538	$332,484	.314%
County Programs	N/A	$32,000,000	30.240%
Collection & Auditing Costs	N/A	7,008,510	6.623%
Total	**108,111**	**$105,821,107**	**100.000%**

5. The table in Section 4 above may be adjusted each fiscal year based on the state school funding levels, change in ADMw, actual tax collections, either negative or positive, and amounts held in reserve, if any.

6. HB 5077 appropriates $5.2 billion in state resources to the Department of Education for the 2003/2005 biennium State School Fund. An additional $100 million may be allocated in 2004/2005 if certain state General Fund and lottery revenue targets are met. The bill reduces the 2004/2005 State School Fund appropriation by $285 million if the graduated income tax assessment component of the legislature's revenue package (HB2152) is

referred by petition to voters and rejected. It reduces the 2004/2005 appropriation by $414 million if the entire revenue package is referred and rejected. If HB 5077 or any component of HB 5077 is rejected by the voters, the School District agrees to work with the County to ensure that enough funds are placed in reserve to provide for the services outlined in Section 15 below in the second year of the biennium. It is the intent of this agreement that the School District will receive the three-year aggregate total of the Base Funding reduced by any State appropriation to the Department of Education that exceeds $4.8 billion in each of the three fiscal years.

7. The County shall distribute funds to the School District as follows:

    a. Distributions of all funds received shall be made by the 5th business day of the month following the County's receipt of cash payments of personal income tax revenue in accordance with the distribution formula in Section 4 and commencing no later than January 8, 2004.

    b. No apportionments or distributions shall be made in any fiscal year until the County receives payments of the personal income tax revenues.

    c. With each payment made to the School District, the County shall provide information including the gross amount collected and the total amount distributed to the School District to date for the fiscal year.

8. If in any fiscal year the actual personal income tax collections do not meet the estimated apportioned amount, or the County reduces the amount of tax collected as set forth in Section 11 below, the School District's apportionment will be reduced in the proportions set forth in Section 4 above and the County is not responsible for making up the difference between the estimated apportioned amount and the actual collections.

9. The County agrees to make reasonable efforts and use best practices in the collection and enforcement of the tax. The County retains the right to provide for amnesty programs or other collection enforcement decisions.

10. If in any fiscal year the actual personal income tax collections exceed the estimated apportioned amount, the County may do any of the following to meet the intent of the Measure:

    a. Place the excess collections in a reserve fund to be distributed to the School District in subsequent years when collections do not meet the estimated apportionment.

    b. Reduce the personal income tax rate to reduce collections in subsequent years.

    c. Rebate excess collections to tax payers.

    d. Distribute all or part of the excess collections in accordance with Section 4.

    e. Implement a combination of a, b, or c above.

11. If the State school funding received by the School District is in excess of the amounts underlying the computation of the tax, the County may do one of the following to meet the intent of the Measure:

a. Place excess County collections in a reserve fund to be distributed to the School District or County programs, in accordance with the distribution formula in Section 4 above, in the event the State reduces the School funding allocation or funding of County programs in the current or subsequent years.

b. Increase or decrease the personal income tax rate to adjust for any funding changes made by the State.

c. Refund excess collections to tax payers.

d. Implement a combination of a, b, or c above.

12. At the end of fiscal year 2005/2006, the County shall retain sufficient tax collection monies to pay for refunds, pay administrative costs or pay for other costs associated with closing the tax out in fiscal year 2006/2007. The County will provide the School District with a complete accounting of the administrative expenses and the close out costs.

13. If at the end of fiscal year 2006/2007 there remains a balance, after all close out expenses are made, the County may rebate the balance to taxpayers or distribute the apportioned share of the balance to the School District.

14. The School District is responsible for obtaining any short-term cash flow funding needs and the County is not responsible for prepaying any of the personal income tax or for assisting the School District in obtaining cash flow Tax Revenue Anticipation Notes.

15. The School District agrees to use the funds for the following services:

    a. To maintain or improve student-teacher ratios.

    b. To maintain instructional days to help ensure a full, 180-day school year.

    c. To fund programs and services that prepare students for college and the workforce.

    d. To communicate with citizens about achievement and accounting for the use of these tax dollars.

16. The School District will continue to apply resource management, cost containment, and organizational structure responsibly to ensure that every tax dollar, whether raised locally or received from the State, is used most effectively to provide a high quality educational experience to all students.

17. The School District agrees to provide the Advisory Council, in a common format acceptable to the Advisory Council and agreed upon by all school districts, a reasonably detailed plan based on the Adopted Budget of how it will expend its allocation of the tax to ensure the services in Paragraph 15 above are met. The plan will be submitted no later than December 31st of each year.

18. The Advisory Council may review expenditures and may make recommendations. The School District agrees to provide a reasonably detailed accounting of the expenditures of these local income tax revenues based on the audited financial statements published in its

Comprehensive Annual Financial Report to the Advisory Council no later than December 31st of each year.

19. The following items produced in Sections 16 and 17 will be provided to the County by the dates listed below:

    December 31, 2003 - plan for 2003/04 school year

    December 31, 2004 - accounting for 2003/04 school year and plan for 2004/05 school year

    December 31, 2005 - accounting for 2004/05 school year and plan for 2005/06 school year

    December 31, 2006 - accounting for 2005/06 school year

20. The School District agrees that performance audits may be conducted jointly by the City Auditor and the County Auditor in order to identify potential cost-savings through more efficient use of resources, opportunities to improve school effectiveness, and capacity-building for increased accountability. The City Auditor and County Auditor will work with the School District to define the scope and design of the performance audits. The auditors will provide an opportunity for the School District to respond to the audit report before delivering the report directly to the Board of Education. Audit reports will also be provided to the Advisory Council, the City Council and the Board of County Commissioners. The School District shall cooperate with the auditors and will provide documents and data reasonably requested by the auditors.

21. In the event that the Multnomah County Board of Commissioners determines that funds provided to the School District have not been used as specified in paragraph 15 above or that the School District has not complied with any of the terms of this agreement, the County may suspend or terminate additional allocations to the School District. Prior to suspending or terminating the distribution of funds, the County will provide written notice to the School District detailing the non compliance and the School District has 30 days to correct the non compliance by restoring the tax funds with other School District funds or satisfactorily explaining the expenditure to the Board of County Commissioners.

22. This agreement shall take effect upon execution by the parties' duly authorized representatives. This agreement shall be in effect from July 1, 2003 through June 30, 2006 unless one of the following provisions applies:

    a. If the County's personal income tax is repealed, this agreement shall automatically terminate as of the effective date of the repeal.

    b. The County personal income tax expires and all collections have been distributed.

23. The parties shall comply with all applicable laws in connection with this agreement.

24. No party may assign its rights or obligations under this agreement. No such assignment may affect any rights of the School District without their written concurrence.

25. This agreement may be amended only upon the written concurrence of both parties.

IN WITNESS WHEREOF, the authorized representatives of the County and School District, as parties hereto, acting pursuant to the authority granted to them,

HEREBY AGREED:

MULTNOMAH COUNTY

By _____
Multnomah County Chair

Date signed: 10-30-03

By _____
Superintendent

Date signed: _____

Reviewed by:

_____
Agnes Sowle, County Attorney

Reviewed by:

_____
Attorney for
School District

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-4 DATE 10·30·03
DEBORAH L. BOGSTAD, BOARD CLERK

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: October 30, 2003
Agenda Item #: R-5
Est. Start Time: 11:30 AM
Date Submitted: 10/08/03

Requested Date: October 30, 2003 **Time Requested:** 10 to 15 min

Department: Chair's Office, DBCS **Division:** Finance, Budget and Tax

Contact/s: Kathy Turner, Dave Boyer,

Phone: 988-3903 **Ext.:** 83903 **I/O Address:** 503/4

Presenters: Dave Boyer, Kathy Turner and Agnes Sowle

Agenda Title: Multnomah County Personal Income Tax Intergovernmental Agreement between Multnomah County and Corbett School District.

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

---

1. **What action are you requesting from the Board? What is the department/agency recommendation?**

   Approve the Intergovernmental Agreement Corbett School District.

2. **Please provide sufficient background information for the Board and the public to understand this issue.**

   - This Intergovernmental Agreement lays out the reporting requirements and administrative procedures to account for and distribute the Multnomah County Personal Income Tax measure 26-48 approved by the voters on May 20, 2003.
   - The personal income tax is effective January 1, 2003 and terminates December 31, 2005, and will fund School programs for fiscal years, 2003/2004, 2004/2005 and 2005/2006.

- Funds from the personal income tax will be distributed to County public schools based on the state school funding, per pupil (ADMw), distribution model. The distribution is based on $618 per ADMw for FY04. The distribution formula will be reviewed and may be changed for subsequent fiscal years.

- HB 5077 appropriates $5.2 billion in state resources to the Department of Education for the 2003/2005 biennium State School Fund. An additional $100 million may be allocated in 2004/2005 if certain state General Fund and lottery revenue targets are met. The bill reduces the 2004/2005 State School Fund appropriation by $285 million if the graduated income tax assessment component of the legislature's revenue package (HB2152) is referred by petition to voters and rejected. It reduces the 2004/2005 appropriation by $414 million if the entire revenue package is referred and rejected. If HB 5077 or any component of HB 5077 is rejected by the voters, the School District agrees to work with the County to ensure that enough funds are placed in reserve to provide for the services outlined in Section 15 below in the second year of the biennium. It is the intent of this agreement that the School District will receive the three-year aggregate total of the Base Funding reduced by any State appropriation to the Department of Education that exceeds $4.8 billion in each of the three fiscal years.

- The County has used its best judgment in estimating the amounts that will be available each fiscal year for distribution to the schools. If collections do not meet expectations the County is not responsible to provide funding for the schools.

- The Measure creates a School Efficiency and Quality Advisory Council ("the Advisory Council") that includes parents, educators, taxpayers, and business, labor, and government leaders to ensure that the funds allocated to the schools benefit students in the classroom and that the personal income tax dollars are well spent. The IGA covers the reporting requirements.

- The Measure provides that independent performance audits will be conducted on the use of funds generated by the measure. The IGA covers this auditing function.

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

The revenues and expenditures of about $90 million for the Schools are included in the adopted budget.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain:

- **What revenue is being changed and why?**
- **What budgets are increased/decreased?**
- **What do the changes accomplish?**
- **Do any personnel actions result from this budget modification? Explain.**
- **Is the revenue one-time-only in nature?**
- **If a grant, what period does the grant cover?**
- **When the grant expires, what are funding plans?**

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

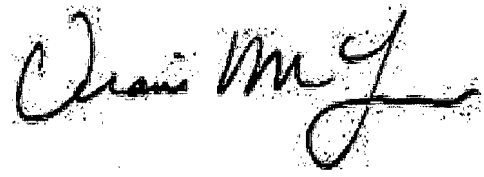
4. **Explain any legal and/or policy issues.**

Meets the County's legal requirements and is consistent with County policies.

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

None.

Required Signatures:



Department/Agency Director: **Date: 10/16/03**

Budget Analyst

By: **Date:**

Dept/Countywide HR

By: **Date:**

MULTNOMAH COUNTY CONTRACT APPROVAL FORM

Contract #: 0410535

Pre-approved Contract Boilerplate (with County Attorney signature) ☐Attached ☐Not Attached Amendment #:

CLASS I	CLASS II	CLASS III A
Contracts $75,000 and less per 12 month period	Contracts over $75,000 per 12 month period	☐ Government Contracts (190 Agreement)
☐ Professional Services Contracts ☐ PCRB Contracts ☐ Maintenance Agreements ☐ Licensing Agreements ☐ Public Works Construction Contracts ☐ Architectural & Engineering Contracts ☐ Revenue Contracts ☐ Grant Contracts ☐ Non-Expenditure Contracts	☐ Professional Services Contracts ☐ PCRB Contracts ☐ Maintenance Agreements ☐ Licensing Agreements ☐ Public Works Construction Contracts ☐ Architectural & Engineering Contracts ☐ Revenue Contracts ☐ Grant Contracts ☐ Non-Expenditure Contracts	☐ Expenditure ☐ Non-Expenditure ☐ Revenue **CLASS III B** ☒ Government Contracts (Non-190 Agreement) ☒ Expenditure ☐ Non-Expenditure ☐ Revenue ☐ Interdepartmental Contracts

Department: Finance Budget and Tax Division: Tax Date: October 16, 200
Originator: Theresa Sullivan Phone: (503) 988-3635 Bldg/Rm: 501/4th floor
Contact: Dave Boyer Phone: (503) 988-3903 Bldg/Rm: 501/4th floor
Description of Contract:

RENEWAL: ☐ PREVIOUS CONTRACT #(S): None
RFP/BID: RFP/BID DATE: N/A
EXEMPTION #: ORS/AR #:
Effective DATE: EXPIRATION DATE:
CONTRACTOR IS: ☐ MBE ☐ WBE ☐ ESB ☐ QRF State Cert# or ☐ Self Cert ☐ Non-Profit ☒ N/A *(Check all boxes that apply)*

Contractor: Corbett School District
Address:
City/State: Corbett, Oregon
ZIP Code:
Phone: (503)695-3611
Employer ID# or SS#:
Contract Effective Date: July 1, 2003 Term 6/30/06
Amendment Effect Date: New Term Date

Remittance address *(If different)*:

Payment Schedule / Terms
☐ Lump Sum $ ☐ Due on Receipt
☐ Monthly $ ☐ Net 30
☒ Other $ ☐ Other

☐ Requirements Funding Info:

Original Contract Amount	$1,500,000	Original Requirements Amount	$
Total Amt of Previous Amendments	$	Total Amt of Previous Amendments	$
Amount of Amendment	$	Requirements Amount Amendment:	$
Total Amount of Agreement $	$1,500,000	Total Amount of Requirements	$

REQUIRED SIGNATURES:

Department Manager		DATE 10/8/03
Purchasing Manager		DATE
County Attorney		DATE 10/8/03
County Chair		DATE 10.30.03
Sheriff		DATE
Contract Administration		DATE

COMMENTS:

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-5 DATE 10.30.03
DEBORAH L. BOGSTAD, BOARD CLERK

Multnomah County, Oregon
Corbett School District

Multnomah County Personal Income Tax
Intergovernmental Agreement

THIS AGREEMENT entered into by and between Multnomah County, Oregon, hereinafter "County", and the Corbett School District hereinafter "School District", and is dated_____2003.

WITNESSETH, the parties hereto recite the following reasons for entering into this agreement:

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B. On May 20, 2003, the voters of the County passed a temporary three-year personal income tax, Measure 26-48 "Measure," that will provide an estimated $128,000,000 to $135,000,000 each fiscal year in funding for County School Districts, County Programs, Auditing and Collection Costs.

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4. The County shall apportion to the School District an aggregate amount of .420% of the net personal income tax cash receipts received. The apportionment and distribution to the School District is based on the table below:

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Collection & Auditing Costs	N/A	7,008,510	6.623%
Total	**108,111**	**$105,821,107**	**100.000%**

5. The table in Section 4 above may be adjusted each fiscal year based on the state school funding levels, change in ADMw, actual tax collections, either negative or positive, and amounts held in reserve, if any.

6. HB 5077 appropriates $5.2 billion in state resources to the Department of Education for the 2003/2005 biennium State School Fund. An additional $100 million may be allocated in 2004/2005 if certain state General Fund and lottery revenue targets are met. The bill reduces the 2004/2005 State School Fund appropriation by $285 million if the graduated income tax assessment component of the legislature's revenue package (HB2152) is

referred by petition to voters and rejected. It reduces the 2004/2005 appropriation by $414 million if the entire revenue package is referred and rejected. If HB 5077 or any component of HB 5077 is rejected by the voters, the School District agrees to work with the County to ensure that enough funds are placed in reserve to provide for the services outlined in Section 15 below in the second year of the biennium. It is the intent of this agreement that the School District will receive the three-year aggregate total of the Base Funding reduced by any State appropriation to the Department of Education that exceeds $4.8 billion in each of the three fiscal years.

7. The County shall distribute funds to the School District as follows:

    a. Distributions of all funds received shall be made by the 5th business day of the month following the County's receipt of cash payments of personal income tax revenue in accordance with the distribution formula in Section 4 and commencing no later than January 8, 2004.

    b. No apportionments or distributions shall be made in any fiscal year until the County receives payments of the personal income tax revenues.

    c. With each payment made to the School District, the County shall provide information including the gross amount collected and the total amount distributed to the School District to date for the fiscal year.

8. If in any fiscal year the actual personal income tax collections do not meet the estimated apportioned amount, or the County reduces the amount of tax collected as set forth in Section 11 below, the School District's apportionment will be reduced in the proportions set forth in Section 4 above and the County is not responsible for making up the difference between the estimated apportioned amount and the actual collections.

9. The County agrees to make reasonable efforts and use best practices in the collection and enforcement of the tax. The County retains the right to provide for amnesty programs or other collection enforcement decisions.

10. If in any fiscal year the actual personal income tax collections exceed the estimated apportioned amount, the County may do any of the following to meet the intent of the Measure:

    a. Place the excess collections in a reserve fund to be distributed to the School District in subsequent years when collections do not meet the estimated apportionment.

    b. Reduce the personal income tax rate to reduce collections in subsequent years.

    c. Rebate excess collections to tax payers.

    d. Distribute all or part of the excess collections in accordance with Section 4.

    e. Implement a combination of a, b, or c above.

11. If the State school funding received by the School District is in excess of the amounts underlying the computation of the tax, the County may do one of the following to meet the intent of the Measure:

a. Place excess County collections in a reserve fund to be distributed to the School District or County programs, in accordance with the distribution formula in Section 4 above, in the event the State reduces the School funding allocation or funding of County programs in the current or subsequent years.

b. Increase or decrease the personal income tax rate to adjust for any funding changes made by the State.

c. Refund excess collections to tax payers.

d. Implement a combination of a, b, or c above.

12. At the end of fiscal year 2005/2006, the County shall retain sufficient tax collection monies to pay for refunds, pay administrative costs or pay for other costs associated with closing the tax out in fiscal year 2006/2007. The County will provide the School District with a complete accounting of the administrative expenses and the close out costs.

13. If at the end of fiscal year 2006/2007 there remains a balance, after all close out expenses are made, the County may rebate the balance to taxpayers or distribute the apportioned share of the balance to the School District.

14. The School District is responsible for obtaining any short-term cash flow funding needs and the County is not responsible for prepaying any of the personal income tax or for assisting the School District in obtaining cash flow Tax Revenue Anticipation Notes.

15. The School District agrees to use the funds for the following services:

    a. To maintain or improve student-teacher ratios.

    b. To maintain instructional days to help ensure a full, 180-day school year.

    c. To fund programs and services that prepare students for college and the workforce.

    d. To communicate with citizens about achievement and accounting for the use of these tax dollars.

16. The School District will continue to apply resource management, cost containment, and organizational structure responsibly to ensure that every tax dollar, whether raised locally or received from the State, is used most effectively to provide a high quality educational experience to all students.

17. The School District agrees to provide the Advisory Council, in a common format acceptable to the Advisory Council and agreed upon by all school districts, a reasonably detailed plan based on the Adopted Budget of how it will expend its allocation of the tax to ensure the services in Paragraph 15 above are met. The plan will be submitted no later than December 31st of each year.

18. The Advisory Council may review expenditures and may make recommendations. The School District agrees to provide a reasonably detailed accounting of the expenditures of these local income tax revenues based on the audited financial statements published in its

Comprehensive Annual Financial Report to the Advisory Council no later than December 31st of each year.

19. The following items produced in Sections 16 and 17 will be provided to the County by the dates listed below:

    December 31, 2003 - plan for 2003/04 school year

    December 31, 2004 - accounting for 2003/04 school year and plan for 2004/05 school year

    December 31, 2005 - accounting for 2004/05 school year and plan for 2005/06 school year

    December 31, 2006 - accounting for 2005/06 school year

20. The School District agrees that performance audits may be conducted jointly by the City Auditor and the County Auditor in order to identify potential cost-savings through more efficient use of resources, opportunities to improve school effectiveness, and capacity-building for increased accountability. The City Auditor and County Auditor will work with the School District to define the scope and design of the performance audits. The auditors will provide an opportunity for the School District to respond to the audit report before delivering the report directly to the Board of Education. Audit reports will also be provided to the Advisory Council, the City Council and the Board of County Commissioners. The School District shall cooperate with the auditors and will provide documents and data reasonably requested by the auditors.

21. In the event that the Multnomah County Board of Commissioners determines that funds provided to the School District have not been used as specified in paragraph 15 above or that the School District has not complied with any of the terms of this agreement, the County may suspend or terminate additional allocations to the School District. Prior to suspending or terminating the distribution of funds, the County will provide written notice to the School District detailing the non compliance and the School District has 30 days to correct the non compliance by restoring the tax funds with other School District funds or satisfactorily explaining the expenditure to the Board of County Commissioners.

22. This agreement shall take effect upon execution by the parties' duly authorized representatives. This agreement shall be in effect from July 1, 2003 through June 30, 2006 unless one of the following provisions applies:

    a. If the County's personal income tax is repealed, this agreement shall automatically terminate as of the effective date of the repeal.

    b. The County personal income tax expires and all collections have been distributed.

23. The parties shall comply with all applicable laws in connection with this agreement.

24. No party may assign its rights or obligations under this agreement. No such assignment may affect any rights of the School District without their written concurrence.

25. This agreement may be amended only upon the written concurrence of both parties.

IN WITNESS WHEREOF, the authorized representatives of the County and School District, as parties hereto, acting pursuant to the authority granted to them,

HEREBY AGREED:

MULTNOMAH COUNTY

By _____
Multnomah County Chair

Date signed: 10·30·03

By _____
Superintendent

Date signed: _____

Reviewed by:

_____
Agnes Sowle, County Attorney

Reviewed by:

_____
Attorney for
School District

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-5 DATE 10·30·03
DEBORAH L. BOGSTAD, BOARD CLERK

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: October 30, 2003
Agenda Item #: R-6
Est. Start Time: 11:30 AM
Date Submitted: 10/08/03

Requested Date: October 30, 2003 **Time Requested:** 10 to 15 min

Department: Chair's Office, DBCS **Division:** Finance, Budget and Tax

Contact/s: Kathy Turner, Dave Boyer,

Phone: 988-3903 **Ext.:** 83903 **I/O Address:** 503/4

Presenters: Dave Boyer, Kathy Turner and Agnes Sowle

Agenda Title: Multnomah County Personal Income Tax Intergovernmental Agreement between Multnomah County and David Douglas School District.

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

---

1. **What action are you requesting from the Board? What is the department/agency recommendation?** Approve the Intergovernmental Agreement David Douglas School District.

2. **Please provide sufficient background information for the Board and the public to understand this issue.**

   - This Intergovernmental Agreement lays out the reporting requirements and administrative procedures to account for and distribute the Multnomah County Personal Income Tax measure 26-48 approved by the voters on May 20, 2003.

   - The personal income tax is effective January 1, 2003 and terminates December 31, 2005, and will fund School programs for fiscal years, 2003/2004, 2004/2005 and 2005/2006.

- Funds from the personal income tax will be distributed to County public schools based on the state school funding, per pupil (ADMw), distribution model. The distribution is based on $618 per ADMw for FY04. The distribution formula will be reviewed and may be changed for subsequent fiscal years.

- HB 5077 appropriates $5.2 billion in state resources to the Department of Education for the 2003/2005 biennium State School Fund. An additional $100 million may be allocated in 2004/2005 if certain state General Fund and lottery revenue targets are met. The bill reduces the 2004/2005 State School Fund appropriation by $285 million if the graduated income tax assessment component of the legislature's revenue package (HB2152) is referred by petition to voters and rejected. It reduces the 2004/2005 appropriation by $414 million if the entire revenue package is referred and rejected. If HB 5077 or any component of HB 5077 is rejected by the voters, the School District agrees to work with the County to ensure that enough funds are placed in reserve to provide for the services outlined in Section 15 below in the second year of the biennium. It is the intent of this agreement that the School District will receive the three-year aggregate total of the Base Funding reduced by any State appropriation to the Department of Education that exceeds $4.8 billion in each of the three fiscal years.

- The County has used its best judgment in estimating the amounts that will be available each fiscal year for distribution to the schools. If collections do not meet expectations the County is not responsible to provide funding for the schools.

- The Measure creates a School Efficiency and Quality Advisory Council ("the Advisory Council") that includes parents, educators, taxpayers, and business, labor, and government leaders to ensure that the funds allocated to the schools benefit students in the classroom and that the personal income tax dollars are well spent. The IGA covers the reporting requirements.

- The Measure provides that independent performance audits will be conducted on the use of funds generated by the measure. The IGA covers this auditing function.

3. **Explain the fiscal impact (current year and ongoing)**. The revenues and expenditures of about $90 million for the Schools are included in the adopted budget.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain:

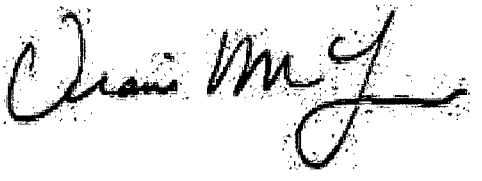
- **What revenue is being changed and why?**
- **What budgets are increased/decreased?**
- **What do the changes accomplish?**
- **Do any personnel actions result from this budget modification? Explain.**
- **Is the revenue one-time-only in nature?**
- **If a grant, what period does the grant cover?**
- **When the grant expires, what are funding plans?**

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

4. **Explain any legal and/or policy issues**. Meets the County's legal requirements and is consistent with County policies

5. **Explain any citizen and/or other government participation that has or will take place**. None.

Required Signatures:



Department/Agency Director: **Date: 10/16/03**

Budget Analyst

By: **Date:**

Dept/Countywide HR

By: **Date:**

MULTNOMAH COUNTY CONTRACT APPROVAL FORM

Contract #: 0410536

Pre-approved Contract Boilerplate (with County Attorney signature) ☐Attached ☐Not Attached Amendment #:

CLASS I	CLASS II	CLASS III A
Contracts $75,000 and less per 12 month period	Contracts over $75,000 per 12 month period	☐ Government Contracts (190 Agreement)
☐ Professional Services Contracts ☐ PCRB Contracts ☐ Maintenance Agreements ☐ Licensing Agreements ☐ Public Works Construction Contracts ☐ Architectural & Engineering Contracts ☐ Revenue Contracts ☐ Grant Contracts ☐ Non-Expenditure Contracts	☐ Professional Services Contracts ☐ PCRB Contracts ☐ Maintenance Agreements ☐ Licensing Agreements ☐ Public Works Construction Contracts ☐ Architectural & Engineering Contracts ☐ Revenue Contracts ☐ Grant Contracts ☐ Non-Expenditure Contracts	☐ Expenditure ☐ Non-Expenditure ☐ Revenue **CLASS III B** ☒ Government Contracts (Non-190 Agreement) ☒ Expenditure ☐ Non-Expenditure ☐ Revenue ☐ Interdepartmental Contracts

Department: Finance Budget and Tax Division: Tax Date: October 16, 200
Originator: Theresa Sullivan Phone: (503) 988-3635 Bldg/Rm: 501/4th floor
Contact: Dave Boyer Phone: (503) 988-3903 Bldg/Rm: 501/4th floor
Description of Contract:

RENEWAL: ☐ PREVIOUS CONTRACT #(S): None
RFP/BID: RFP/BID DATE: N/A
EXEMPTION #: ORS/AR #:
Effective DATE: EXPIRATION DATE:
CONTRACTOR IS: ☐ MBE ☐ WBE ☐ ESB ☐ QRF State Cert# or ☐ Self Cert ☐ Non-Profit ☒ N/A *(Check all boxes that apply)*

Contractor Address: David Douglas School District
City/State: Portland, Oregon
ZIP Code:
Phone: (503)261-8211
Employer ID# or SS#:
Contract Effective Date: July 1, 2003 Term 6/30/06
Amendment Effect Date: New Term Date

Remittance address *(If different)*:

Payment Schedule / Terms
☐ Lump Sum $ ☐ Due on Receipt
☐ Monthly $ ☐ Net 30
☒ Other $ ☐ Other

Original Contract Amount	$21,000,000
Total Amt of Previous Amendments	$
Amount of Amendment	$
Total Amount of Agreement $	$21,000,000

☐ Requirements Funding Info:

Original Requirements Amount	$
Total Amt of Previous Amendments	$
Requirements Amount Amendment:	$
Total Amount of Requirements	$

REQUIRED SIGNATURES:

Department Manager	[signature]	DATE 10/8/03
Purchasing Manager		DATE
County Attorney	[signature]	DATE 10/8/03
County Chair	[signature]	DATE 10-30-03
Sheriff		DATE
Contract Administration		DATE

COMMENTS:

APPROVED: MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-6 DATE 10.30.03
DEBORAH L. BOGSTAD, BOARD CLERK

Multnomah County, Oregon
David Douglas School District

Multnomah County Personal Income Tax
Intergovernmental Agreement

THIS AGREEMENT entered into by and between Multnomah County, Oregon, hereinafter "County", and David Douglas School District, hereinafter "School District", and is dated_____2003.

WITNESSETH, the parties hereto recite the following reasons for entering into this agreement:

A. On March 13, 2003, the Multnomah County Board of Commissioners passed Resolution 03-037 resolving, in part, to refer a Measure to the voters to impose a personal income tax.

B. On May 20, 2003, the voters of the County passed a temporary three-year personal income tax, Measure 26-48 "Measure," that will provide an estimated $128,000,000 to $135,000,000 each fiscal year in funding for County School Districts, County Programs, Auditing and Collection Costs.

C. The personal income tax rate is 1.25% on Oregon taxable income after deducting for either single exemptions of $2,500 or joint exemptions of $5,000 and is levied on County residents.

D. The personal income tax is effective January 1, 2003 and terminates December 31, 2005, and will fund School programs for fiscal years, 2003/2004, 2004/2005 and 2005/2006.

E. The personal income tax is due on April 15 beginning in year 2004 and ending in year 2006.

F. County Personal Income Tax Administrative Rules allow employers the option to deduct personal income tax withholdings from the paychecks of County residents.

G. County Personal Income Tax Administrative Rules allow for estimated quarterly payments to be made by County residents.

H. It is expected that the majority of the tax receipts will be received by the County in April, May and June of each year.

I. The Measure creates a School Efficiency and Quality Advisory Council ("the Advisory Council") that includes parents, educators, taxpayers, and business, labor, and government leaders to review expenditures by county school districts of funds generated by the Measure and to oversee the new local revenues for the benefit of students.

J. The School District's governing body has statutory authority under ORS 332.072 through 332.111 to administer the instructional and financial programs of the School District. Nothing in this agreement is intended to abrogate this statutory responsibility.

K. The Measure provides that independent performance audits will be conducted on funds generated by the measure.

NOW THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. The County has used its best judgment in estimating the amounts that will be available for distribution to the School District.

2. Funds from the personal income tax will be distributed to the School District and the County based on the following table. The distribution split will be reviewed and may be changed based on the outcome of a referendum to rescind the State tax surcharge as it impacts State school funding. The funding level below is considered the base funding level and that the base funding will be increased in FY 2004/2005 and 2005/2006 by the Portland Consumer Price Index for All Urban Consumers (CPI-U) as of February of each year.

	Amount		Percent of Total
County Schools	$93,327,900		70.5%
County Programs	$32,000,000		24.2%
Administration	$7,008,510		5.3%
Total	$132,336,410		100.0%

3. Funds from the personal income tax will be distributed to School District based on the state school funding, per pupil (ADMw), distribution model. The 2003/2004 distribution is based on $618 per ADMw. The distribution formula will be reviewed and may be changed for subsequent fiscal years.

4. The County shall apportion to the School District an aggregate amount of 6.410% of the net personal income tax cash receipts received. The apportionment and distribution to the School District is based on the table below:

	ADMw	Estimated Amount to be Apportioned	Percent of Distribution
Centennial	7,402	$4,574,436	4.323%
Corbett	720	$444,960	.420%
David Douglas	10,976	$6,783,168	6.410%
Gresham-Barlow	12,427	$7,679,886	7.257%
Parkrose	4,376	$2,704,368	2.556%
Portland Public	59,178	$ 36,572,003	34.560%
Reynolds	12,357	$7,636,626	7.217%
Victory Middle School	137	$84,666	.080%
Riverdale School District 51J	538	$332,484	.314%
County Programs	N/A	$32,000,000	30.240%
Collection & Auditing Costs	N/A	7,008,510	6.623%
Total	**108,111**	**$105,821,107**	**100.000%**

5. The table in Section 4 above may be adjusted each fiscal year based on the state school funding levels, change in ADMw, actual tax collections, either negative or positive, and amounts held in reserve, if any.

6. HB 5077 appropriates $5.2 billion in state resources to the Department of Education for the 2003/2005 biennium State School Fund. An additional $100 million may be allocated in 2004/2005 if certain state General Fund and lottery revenue targets are met. The bill

reduces the 2004/2005 State School Fund appropriation by $285 million if the graduated income tax assessment component of the legislature's revenue package (HB2152) is referred by petition to voters and rejected. It reduces the 2004/2005 appropriation by $414 million if the entire revenue package is referred and rejected. If HB 5077 or any component of HB 5077 is rejected by the voters, the School District agrees to work with the County to ensure that enough funds are placed in reserve to provide for the services outlined in Section 15 below in the second year of the biennium. It is the intent of this agreement that the School District will receive the three-year aggregate total of the Base Funding reduced by any State appropriation to the Department of Education that exceeds $4.8 billion in each of the three fiscal years.

7. The County shall distribute funds to the School District as follows:

    a. Distributions of all funds received shall be made by the 5th business day of the month following the County's receipt of cash payments of personal income tax revenue in accordance with the distribution formula in Section 4 and commencing no later than January 8, 2004.

    b. No apportionments or distributions shall be made in any fiscal year until the County receives payments of the personal income tax revenues.

    c. With each payment made to the School District, the County shall provide information including the gross amount collected and the total amount distributed to the School District to date for the fiscal year.

8. If in any fiscal year the actual personal income tax collections do not meet the estimated apportioned amount, or the County reduces the amount of tax collected as set forth in Section 11 below, the School District's apportionment will be reduced in the proportions set forth in Section 4 above and the County is not responsible for making up the difference between the estimated apportioned amount and the actual collections.

9. The County agrees to make reasonable efforts and use best practices in the collection and enforcement of the tax. The County retains the right to provide for amnesty programs or other collection enforcement decisions.

10. If in any fiscal year the actual personal income tax collections exceed the estimated apportioned amount, the County may do any of the following to meet the intent of the Measure:

    a. Place the excess collections in a reserve fund to be distributed to the School District in subsequent years when collections do not meet the estimated apportionment.

    b. Reduce the personal income tax rate to reduce collections in subsequent years.

    c. Rebate excess collections to tax payers.

    d. Distribute all or part of the excess collections in accordance with Section 4.

    e. Implement a combination of a, b, or c above.

11. If the State school funding received by the School District is in excess of the amounts underlying the computation of the tax, the County may do one of the following to meet the intent of the Measure:

    a. Place excess County collections in a reserve fund to be distributed to the School District or County programs, in accordance with the distribution formula in Section 4 above, in the event the State reduces the School funding allocation or funding of County programs in the current or subsequent years.

    b. Increase or decrease the personal income tax rate to adjust for any funding changes made by the State.

    c. Refund excess collections to tax payers.

    d. Implement a combination of a, b, or c above.

12. At the end of fiscal year 2005/2006, the County shall retain sufficient tax collection monies to pay for refunds, pay administrative costs or pay for other costs associated with closing the tax out in fiscal year 2006/2007. The County will provide the School District with a complete accounting of the administrative expenses and the close out costs.

13. If at the end of fiscal year 2006/2007 there remains a balance, after all close out expenses are made, the County may rebate the balance to taxpayers or distribute the apportioned share of the balance to the School District.

14. The School District is responsible for obtaining any short-term cash flow funding needs and the County is not responsible for prepaying any of the personal income tax or for assisting the School District in obtaining cash flow Tax Revenue Anticipation Notes.

15. The School District agrees to use the funds for the following services:

    a. To maintain or improve student-teacher ratios.

    b. To maintain instructional days to help ensure a full, 180-day school year.

    c. To fund programs and services that prepare students for college and the workforce.

    d. To communicate with citizens about achievement and accounting for the use of these tax dollars.

16. The School District will continue to apply resource management, cost containment, and organizational structure responsibly to ensure that every tax dollar, whether raised locally or received from the State, is used most effectively to provide a high quality educational experience to all students.

17. The School District agrees to provide the Advisory Council, in a common format acceptable to the Advisory Council and agreed upon by all school districts, a reasonably detailed plan based on the Adopted Budget of how it will expend its allocation of the tax to ensure the services in Paragraph 15 above are met. The plan will be submitted no later than December 31st of each year.

18. The Advisory Council may review expenditures and may make recommendations. The School District agrees to provide a reasonably detailed accounting of the expenditures of these local income tax revenues based on the audited financial statements published in its Comprehensive Annual Financial Report to the Advisory Council no later than December 31st of each year.

19. The following items produced in Sections 16 and 17 will be provided to the County by the dates listed below:

    December 31, 2003 - plan for 2003/04 school year

    December 31, 2004 - accounting for 2003/04 school year and plan for 2004/05 school year

    December 31, 2005 - accounting for 2004/05 school year and plan for 2005/06 school year

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20. The School District agrees that performance audits may be conducted jointly by the City Auditor and the County Auditor in order to identify potential cost-savings through more efficient use of resources, opportunities to improve school effectiveness, and capacity-building for increased accountability. The City Auditor and County Auditor will work with the School District to define the scope and design of the performance audits. The auditors will provide an opportunity for the School District to respond to the audit report before delivering the report directly to the Board of Education. Audit reports will also be provided to the Advisory Council, the City Council and the Board of County Commissioners. The School District shall cooperate with the auditors and will provide documents and data reasonably requested by the auditors.

21. In the event that the Multnomah County Board of Commissioners determines that funds provided to the School District have not been used as specified in paragraph 15 above or that the School District has not complied with any of the terms of this agreement, the County may suspend or terminate additional allocations to the School District. Prior to suspending or terminating the distribution of funds, the County will provide written notice to the School District detailing the non compliance and the School District has 30 days to correct the non compliance by restoring the tax funds with other School District funds or satisfactorily explaining the expenditure to the Board of County Commissioners.

22. This agreement shall take effect upon execution by the parties' duly authorized representatives. This agreement shall be in effect from July 1, 2003 through June 30, 2006 unless one of the following provisions applies:

    a. If the County's personal income tax is repealed, this agreement shall automatically terminate as of the effective date of the repeal.

    b. The County personal income tax expires and all collections have been distributed.

23. The parties shall comply with all applicable laws in connection with this agreement.

24. No party may assign its rights or obligations under this agreement. No such assignment may affect any rights of the School District without their written concurrence.

25. This agreement may be amended only upon the written concurrence of both parties.

IN WITNESS WHEREOF, the authorized representatives of the County and School District, as parties hereto, acting pursuant to the authority granted to them,

HEREBY AGREED:

MULTNOMAH COUNTY

By _____
Multnomah County Chair

Date signed: 10·30·03

By _____
Superintendent

Date signed: _____

Reviewed by:

_____
Agnes Sowle, County Attorney

Reviewed by:

_____
Attorney for
School District

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-6 DATE 10·30·03
DEBORAH L. BOGSTAD, BOARD CLERK

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: **October 30, 2003**
Agenda Item #: **R-7**
Est. Start Time: **11:30 AM**
Date Submitted: **10/08/03**

Requested Date: October 30, 2003 **Time Requested:** 10 to 15 min

Department: Chair's Office, DBCS **Division:** Finance, Budget and Tax

Contact/s: Kathy Turner, Dave Boyer,

Phone: 988-3903 **Ext.:** 83903 **I/O Address:** 503/4

Presenters: Dave Boyer, Kathy Turner and Agnes Sowle

Agenda Title: Multnomah County Personal Income Tax Intergovernmental Agreement between Multnomah County and Gresham-Barlow School District.

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

---

1. **What action are you requesting from the Board? What is the department/agency recommendation?** Approve the Intergovernmental Agreement Gresham-Barlow School District.

2. **Please provide sufficient background information for the Board and the public to understand this issue.**

   - This Intergovernmental Agreement lays out the reporting requirements and administrative procedures to account for and distribute the Multnomah County Personal Income Tax measure 26-48 approved by the voters on May 20, 2003.

   - The personal income tax is effective January 1, 2003 and terminates December 31, 2005, and will fund School programs for fiscal years, 2003/2004, 2004/2005 and 2005/2006.

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- HB 5077 appropriates $5.2 billion in state resources to the Department of Education for the 2003/2005 biennium State School Fund. An additional $100 million may be allocated in 2004/2005 if certain state General Fund and lottery revenue targets are met. The bill reduces the 2004/2005 State School Fund appropriation by $285 million if the graduated income tax assessment component of the legislature's revenue package (HB2152) is referred by petition to voters and rejected. It reduces the 2004/2005 appropriation by $414 million if the entire revenue package is referred and rejected. If HB 5077 or any component of HB 5077 is rejected by the voters, the School District agrees to work with the County to ensure that enough funds are placed in reserve to provide for the services outlined in Section 15 below in the second year of the biennium. It is the intent of this agreement that the School District will receive the three-year aggregate total of the Base Funding reduced by any State appropriation to the Department of Education that exceeds $4.8 billion in each of the three fiscal years.

- The County has used its best judgment in estimating the amounts that will be available each fiscal year for distribution to the schools. If collections do not meet expectations the County is not responsible to provide funding for the schools.

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- The Measure provides that independent performance audits will be conducted on the use of funds generated by the measure. The IGA covers this auditing function.

3. **Explain the fiscal impact (current year and ongoing)**. The revenues and expenditures of about $90 million for the Schools are included in the adopted budget.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain:

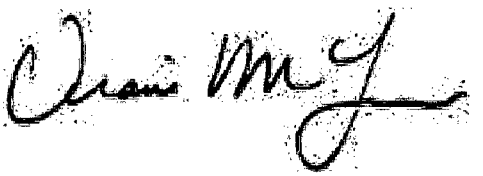
- **What revenue is being changed and why?**
- **What budgets are increased/decreased?**
- **What do the changes accomplish?**
- **Do any personnel actions result from this budget modification? Explain.**
- **Is the revenue one-time-only in nature?**
- **If a grant, what period does the grant cover?**
- **When the grant expires, what are funding plans?**

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

4. **Explain any legal and/or policy issues**. Meets the County's legal requirements and is consistent with County policies

5. **Explain any citizen and/or other government participation that has or will take place**. None.

Required Signatures:



Department/Agency Director: **Date: 10/16/03**

Budget Analyst

By: **Date:**

Dept/Countywide HR

By: **Date:**

MULTNOMAH COUNTY CONTRACT APPROVAL FORM

Contract #: 0410537

Pre-approved Contract Boilerplate (with County Attorney signature) ☐Attached ☐Not Attached Amendment #:

CLASS I	CLASS II	CLASS III A
Contracts $75,000 and less per 12 month period	Contracts over $75,000 per 12 month period	☐ Government Contracts (190 Agreement)
☐ Professional Services Contracts ☐ PCRB Contracts ☐ Maintenance Agreements ☐ Licensing Agreements ☐ Public Works Construction Contracts ☐ Architectural & Engineering Contracts ☐ Revenue Contracts ☐ Grant Contracts ☐ Non-Expenditure Contracts	☐ Professional Services Contracts ☐ PCRB Contracts ☐ Maintenance Agreements ☐ Licensing Agreements ☐ Public Works Construction Contracts ☐ Architectural & Engineering Contracts ☐ Revenue Contracts ☐ Grant Contracts ☐ Non-Expenditure Contracts	☐ Expenditure ☐ Non-Expenditure ☐ Revenue **CLASS III B** ☒ Government Contracts (Non-190 Agreement) ☒ Expenditure ☐ Non-Expenditure ☐ Revenue ☐ Interdepartmental Contracts

Department: Finance Budget and Tax Division: Tax Date: October 16, 200
Originator: Theresa Sullivan Phone: (503) 988-3635 Bldg/Rm: 501/4th floor
Contact: Dave Boyer Phone: (503) 988-3903 Bldg/Rm: 501/4th floor
Description of Contract:

RENEWAL: ☐ PREVIOUS CONTRACT #(S): None
RFP/BID: RFP/BID DATE: N/A
EXEMPTION #: ORS/AR #:
Effective DATE: EXPIRATION DATE:
CONTRACTOR IS: ☐ MBE ☐ WBE ☐ ESB ☐ QRF State Cert# or ☐ Self Cert ☐ Non-Profit ☒ N/A (*Check all boxes that apply*)

Contractor Gresham Barlow School District
Address
City/State Gresham, Oregon
ZIP Code
Phone (503) 618-2460
Employer ID# or SS#
Contract Effective Date July 1, 2003 Term 6/30/06
Amendment Effect Date New Term Date

Original Contract Amount $24,000,000
Total Amt of Previous Amendments $
Amount of Amendment $
Total Amount of Agreement $ $24,000,000

Remittance address
(If different)

Payment Schedule / Terms
☐ Lump Sum $ ☐ Due on Receipt
☐ Monthly $ ☐ Net 30
☒ Other $ ☐ Other
☐ Requirements Funding Info:

Original Requirements Amount $
Total Amt of Previous Amendments $
Requirements Amount Amendment: $
Total Amount of Requirements $

REQUIRED SIGNATURES:

Department Manager _____ DATE 10/8/03
Purchasing Manager _____ DATE
County Attorney _____ DATE 10/8/03
County Chair _____ DATE 10.30.03
Sheriff _____ DATE
Contract Administration _____ DATE

COMMENTS:

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-7 DATE 10.30.03
DEBORAH L. BOGSTAD, BOARD CLERK

Multnomah County, Oregon
Gresham Barlow School District

Multnomah County Personal Income Tax
Intergovernmental Agreement

THIS AGREEMENT entered into by and between Multnomah County, Oregon, hereinafter "County", and the Gresham Barlow School District hereinafter "School District", and is dated_____2003.

WITNESSETH, the parties hereto recite the following reasons for entering into this agreement:

A. On March 13, 2003, the Multnomah County Board of Commissioners passed Resolution 03-037 resolving, in part, to refer a Measure to the voters to impose a personal income tax.

B. On May 20, 2003, the voters of the County passed a temporary three-year personal income tax, Measure 26-48 "Measure," that will provide an estimated $128,000,000 to $135,000,000 each fiscal year in funding for County School Districts, County Programs, Auditing and Collection Costs.

C. The personal income tax rate is 1.25% on Oregon taxable income after deducting for either single exemptions of $2,500 or joint exemptions of $5,000 and is levied on County residents.

D. The personal income tax is effective January 1, 2003 and terminates December 31, 2005, and will fund School programs for fiscal years, 2003/2004, 2004/2005 and 2005/2006.

E. The personal income tax is due on April 15 beginning in year 2004 and ending in year 2006.

F. County Personal Income Tax Administrative Rules allow employers the option to deduct personal income tax withholdings from the paychecks of County residents.

G. County Personal Income Tax Administrative Rules allow for estimated quarterly payments to be made by County residents.

H. It is expected that the majority of the tax receipts will be received by the County in April, May and June of each year.

I. The Measure creates a School Efficiency and Quality Advisory Council ("the Advisory Council") that includes parents, educators, taxpayers, and business, labor, and government leaders to review expenditures by county school districts of funds generated by the Measure and to oversee the new local revenues for the benefit of students.

J. The School District's governing body has statutory authority under ORS 332.072 through 332.111 to administer the instructional and financial programs of the School District. Nothing in this agreement is intended to abrogate this statutory responsibility.

K. The Measure provides that independent performance audits will be conducted on funds generated by the measure.

NOW THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. The County has used its best judgment in estimating the amounts that will be available for distribution to the School District.

2. Funds from the personal income tax will be distributed to the School District and the County based on the following table. The distribution split will be reviewed and may be changed based on the outcome of a referendum to rescind the State tax surcharge as it impacts State school funding. The funding level below is considered the base funding level and that the base funding will be increased in FY 2004/2005 and 2005/2006 by the Portland Consumer Price Index for All Urban Consumers (CPI-U) as of February of each year.

	Amount		Percent of Total
County Schools	$93,327,900		70.5%
County Programs	$32,000,000		24.2%
Administration	$7,008,510		5.3%
Total	$132,336,410		100.0%

3. Funds from the personal income tax will be distributed to School District based on the state school funding, per pupil (ADMw), distribution model. The 2003/2004 distribution is based on $618 per ADMw. The distribution formula will be reviewed and may be changed for subsequent fiscal years.

4. The County shall apportion to the School District an aggregate amount of 7.257% of the net personal income tax cash receipts received. The apportionment and distribution to the School District is based on the table below:

	ADMw	Estimated Amount to be Apportioned	Percent of Distribution
Centennial	7,402	$4,574,436	4.323%
Corbett	720	$444,960	.420%
David Douglas	10,976	$6,783,168	6.410%
Gresham-Barlow	12,427	$7,679,886	7.257%
Parkrose	4,376	$2,704,368	2.556%
Portland Public	59,178	$ 36,572,003	34.560%
Reynolds	12,357	$7,636,626	7.217%
Victory Middle School	137	$84,666	.080%
Riverdale School District 51J	538	$332,484	.314%
County Programs	N/A	$32,000,000	30.240%
Collection & Auditing Costs	N/A	7,008,510	6.623%
Total	**108,111**	**$105,821,107**	**100.000%**

5. The table in Section 4 above may be adjusted each fiscal year based on the state school funding levels, change in ADMw, actual tax collections, either negative or positive, and amounts held in reserve, if any.

6. HB 5077 appropriates $5.2 billion in state resources to the Department of Education for the 2003/2005 biennium State School Fund. An additional $100 million may be allocated in 2004/2005 if certain state General Fund and lottery revenue targets are met. The bill reduces the 2004/2005 State School Fund appropriation by $285 million if the graduated income tax assessment component of the legislature's revenue package (HB2152) is

referred by petition to voters and rejected. It reduces the 2004/2005 appropriation by $414 million if the entire revenue package is referred and rejected. If HB 5077 or any component of HB 5077 is rejected by the voters, the School District agrees to work with the County to ensure that enough funds are placed in reserve to provide for the services outlined in Section 15 below in the second year of the biennium. It is the intent of this agreement that the School District will receive the three-year aggregate total of the Base Funding reduced by any State appropriation to the Department of Education that exceeds $4.8 billion in each of the three fiscal years.

7. The County shall distribute funds to the School District as follows:

    a. Distributions of all funds received shall be made by the 5th business day of the month following the County's receipt of cash payments of personal income tax revenue in accordance with the distribution formula in Section 4 and commencing no later than January 8, 2004.

    b. No apportionments or distributions shall be made in any fiscal year until the County receives payments of the personal income tax revenues.

    c. With each payment made to the School District, the County shall provide information including the gross amount collected and the total amount distributed to the School District to date for the fiscal year.

8. If in any fiscal year the actual personal income tax collections do not meet the estimated apportioned amount, or the County reduces the amount of tax collected as set forth in Section 11 below, the School District's apportionment will be reduced in the proportions set forth in Section 4 above and the County is not responsible for making up the difference between the estimated apportioned amount and the actual collections.

9. The County agrees to make reasonable efforts and use best practices in the collection and enforcement of the tax. The County retains the right to provide for amnesty programs or other collection enforcement decisions.

10. If in any fiscal year the actual personal income tax collections exceed the estimated apportioned amount, the County may do any of the following to meet the intent of the Measure:

    a. Place the excess collections in a reserve fund to be distributed to the School District in subsequent years when collections do not meet the estimated apportionment.

    b. Reduce the personal income tax rate to reduce collections in subsequent years.

    c. Rebate excess collections to tax payers.

    d. Distribute all or part of the excess collections in accordance with Section 4.

    e. Implement a combination of a, b, or c above.

11. If the State school funding received by the School District is in excess of the amounts underlying the computation of the tax, the County may do one of the following to meet the intent of the Measure:

a. Place excess County collections in a reserve fund to be distributed to the School District or County programs, in accordance with the distribution formula in Section 4 above, in the event the State reduces the School funding allocation or funding of County programs in the current or subsequent years.

b. Increase or decrease the personal income tax rate to adjust for any funding changes made by the State.

c. Refund excess collections to tax payers.

d. Implement a combination of a, b, or c above.

12. At the end of fiscal year 2005/2006, the County shall retain sufficient tax collection monies to pay for refunds, pay administrative costs or pay for other costs associated with closing the tax out in fiscal year 2006/2007. The County will provide the School District with a complete accounting of the administrative expenses and the close out costs.

13. If at the end of fiscal year 2006/2007 there remains a balance, after all close out expenses are made, the County may rebate the balance to taxpayers or distribute the apportioned share of the balance to the School District.

14. The School District is responsible for obtaining any short-term cash flow funding needs and the County is not responsible for prepaying any of the personal income tax or for assisting the School District in obtaining cash flow Tax Revenue Anticipation Notes.

15. The School District agrees to use the funds for the following services:

    a. To maintain or improve student-teacher ratios.

    b. To maintain instructional days to help ensure a full, 180-day school year.

    c. To fund programs and services that prepare students for college and the workforce.

    d. To communicate with citizens about achievement and accounting for the use of these tax dollars.

16. The School District will continue to apply resource management, cost containment, and organizational structure responsibly to ensure that every tax dollar, whether raised locally or received from the State, is used most effectively to provide a high quality educational experience to all students.

17. The School District agrees to provide the Advisory Council, in a common format acceptable to the Advisory Council and agreed upon by all school districts, a reasonably detailed plan based on the Adopted Budget of how it will expend its allocation of the tax to ensure the services in Paragraph 15 above are met. The plan will be submitted no later than December 31st of each year.

18. The Advisory Council may review expenditures and may make recommendations. The School District agrees to provide a reasonably detailed accounting of the expenditures of these local income tax revenues based on the audited financial statements published in its

Comprehensive Annual Financial Report to the Advisory Council no later than December 31st of each year.

19. The following items produced in Sections 16 and 17 will be provided to the County by the dates listed below:

    December 31, 2003 - plan for 2003/04 school year

    December 31, 2004 - accounting for 2003/04 school year and plan for 2004/05 school year

    December 31, 2005 - accounting for 2004/05 school year and plan for 2005/06 school year

    December 31, 2006 - accounting for 2005/06 school year

20. The School District agrees that performance audits may be conducted jointly by the City Auditor and the County Auditor in order to identify potential cost-savings through more efficient use of resources, opportunities to improve school effectiveness, and capacity-building for increased accountability. The City Auditor and County Auditor will work with the School District to define the scope and design of the performance audits. The auditors will provide an opportunity for the School District to respond to the audit report before delivering the report directly to the Board of Education. Audit reports will also be provided to the Advisory Council, the City Council and the Board of County Commissioners. The School District shall cooperate with the auditors and will provide documents and data reasonably requested by the auditors.

21. In the event that the Multnomah County Board of Commissioners determines that funds provided to the School District have not been used as specified in paragraph 15 above or that the School District has not complied with any of the terms of this agreement, the County may suspend or terminate additional allocations to the School District. Prior to suspending or terminating the distribution of funds, the County will provide written notice to the School District detailing the non compliance and the School District has 30 days to correct the non compliance by restoring the tax funds with other School District funds or satisfactorily explaining the expenditure to the Board of County Commissioners.

22. This agreement shall take effect upon execution by the parties' duly authorized representatives. This agreement shall be in effect from July 1, 2003 through June 30, 2006 unless one of the following provisions applies:

    a. If the County's personal income tax is repealed, this agreement shall automatically terminate as of the effective date of the repeal.

    b. The County personal income tax expires and all collections have been distributed.

23. The parties shall comply with all applicable laws in connection with this agreement.

24. No party may assign its rights or obligations under this agreement. No such assignment may affect any rights of the School District without their written concurrence.

25. This agreement may be amended only upon the written concurrence of both parties.

IN WITNESS WHEREOF, the authorized representatives of the County and School District, as parties hereto, acting pursuant to the authority granted to them,

HEREBY AGREED:

MULTNOMAH COUNTY

By _____
Multnomah County Chair

Date signed: 10·30·03

By _____
Superintendent

Date signed: _____

Reviewed by:

_____
Agnes Sowle, County Attorney

Reviewed by:

_____
Attorney for
School District

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-7 DATE 10·30·03
DEBORAH L. BOGSTAD, BOARD CLERK

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: October 30, 2003
Agenda Item #: R-8
Est. Start Time: 11:30 AM
Date Submitted: 10/08/03

Requested Date: October 30, 2003 **Time Requested:** 10 to 15 min

Department: Chair's Office, DBCS **Division:** Finance, Budget and Tax

Contact/s: Kathy Turner, Dave Boyer,

Phone: 988-3903 **Ext.:** 83903 **I/O Address:** 503/4

Presenters: Dave Boyer, Kathy Turner and Agnes Sowle

Agenda Title: Multnomah County Personal Income Tax Intergovernmental Agreement between Multnomah County and Parkrose School District.

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

---

1. **What action are you requesting from the Board? What is the department/agency recommendation?** Approve the Intergovernmental Agreement Parkrose School District.

2. **Please provide sufficient background information for the Board and the public to understand this issue.**

   - This Intergovernmental Agreement lays out the reporting requirements and administrative procedures to account for and distribute the Multnomah County Personal Income Tax measure 26-48 approved by the voters on May 20, 2003.

   - The personal income tax is effective January 1, 2003 and terminates December 31, 2005, and will fund School programs for fiscal years, 2003/2004, 2004/2005 and 2005/2006.

- Funds from the personal income tax will be distributed to County public schools based on the state school funding, per pupil (ADMw), distribution model. The distribution is based on $618 per ADMw for FY04. The distribution formula will be reviewed and may be changed for subsequent fiscal years.

- HB 5077 appropriates $5.2 billion in state resources to the Department of Education for the 2003/2005 biennium State School Fund. An additional $100 million may be allocated in 2004/2005 if certain state General Fund and lottery revenue targets are met. The bill reduces the 2004/2005 State School Fund appropriation by $285 million if the graduated income tax assessment component of the legislature's revenue package (HB2152) is referred by petition to voters and rejected. It reduces the 2004/2005 appropriation by $414 million if the entire revenue package is referred and rejected. If HB 5077 or any component of HB 5077 is rejected by the voters, the School District agrees to work with the County to ensure that enough funds are placed in reserve to provide for the services outlined in Section 15 below in the second year of the biennium. It is the intent of this agreement that the School District will receive the three-year aggregate total of the Base Funding reduced by any State appropriation to the Department of Education that exceeds $4.8 billion in each of the three fiscal years.

- The County has used its best judgment in estimating the amounts that will be available each fiscal year for distribution to the schools. If collections do not meet expectations the County is not responsible to provide funding for the schools.

- The Measure creates a School Efficiency and Quality Advisory Council ("the Advisory Council") that includes parents, educators, taxpayers, and business, labor, and government leaders to ensure that the funds allocated to the schools benefit students in the classroom and that the personal income tax dollars are well spent. The IGA covers the reporting requirements.

- The Measure provides that independent performance audits will be conducted on the use of funds generated by the measure. The IGA covers this auditing function.

3. **Explain the fiscal impact (current year and ongoing)**. The revenues and expenditures of about $90 million for the Schools are included in the adopted budget.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain:

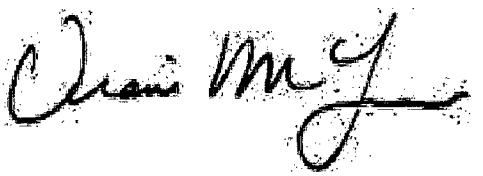
- **What revenue is being changed and why?**
- **What budgets are increased/decreased?**
- **What do the changes accomplish?**
- **Do any personnel actions result from this budget modification? Explain.**
- **Is the revenue one-time-only in nature?**
- **If a grant, what period does the grant cover?**
- **When the grant expires, what are funding plans?**

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

4. **Explain any legal and/or policy issues**. Meets the County's legal requirements and is consistent with County policies

5. **Explain any citizen and/or other government participation that has or will take place**. None.

Required Signatures:



Department/Agency Director: **Date: 10/16/03**

Budget Analyst

By: **Date:**

Dept/Countywide HR

By: **Date:**

MULTNOMAH COUNTY CONTRACT APPROVAL FORM

Contract #: 0410538

Pre-approved Contract Boilerplate (with County Attorney signature) ☐Attached ☐Not Attached Amendment #:

CLASS I	CLASS II	CLASS III A
Contracts $75,000 and less per 12 month period	Contracts over $75,000 per 12 month period	☐ Government Contracts (190 Agreement)
☐ Professional Services Contracts ☐ PCRB Contracts ☐ Maintenance Agreements ☐ Licensing Agreements ☐ Public Works Construction Contracts ☐ Architectural & Engineering Contracts ☐ Revenue Contracts ☐ Grant Contracts ☐ Non-Expenditure Contracts	☐ Professional Services Contracts ☐ PCRB Contracts ☐ Maintenance Agreements ☐ Licensing Agreements ☐ Public Works Construction Contracts ☐ Architectural & Engineering Contracts ☐ Revenue Contracts ☐ Grant Contracts ☐ Non-Expenditure Contracts	☐ Expenditure ☐ Non-Expenditure ☐ Revenue **CLASS III B** ☒ Government Contracts (Non-190 Agreement) ☒ Expenditure ☐ Non-Expenditure ☐ Revenue ☐ Interdepartmental Contracts

Department: Finance Budget and Tax Division: Tax Date: October 16, 200
Originator: Theresa Sullivan Phone: (503) 988-3635 Bldg/Rm: 501/4th floor
Contact: Dave Boyer Phone: (503) 988-3903 Bldg/Rm: 501/4th floor
Description of Contract:

RENEWAL: ☐ PREVIOUS CONTRACT #(S): None
RFP/BID: RFP/BID DATE: N/A
EXEMPTION #: ORS/AR #:
Effective DATE: EXPIRATION DATE:
CONTRACTOR IS: ☐ MBE ☐ WBE ☐ ESB ☐ QRF State Cert# or ☐ Self Cert ☐ Non-Profit ☒ N/A (Check all boxes that apply)

Contractor Parkrose School District
Address
City/State Portland, Oregon
ZIP Code
Phone (503) 408-2103
Employer ID# or SS#
Contract Effective Date July 1, 2003 Term 6/30/06
Amendment Effect Date New Term Date

Original Contract Amount $9,000,000
Total Amt of Previous Amendments $
Amount of Amendment $
Total Amount of Agreement $ $9,000,000

Remittance address
(If different)
Payment Schedule / Terms
☐ Lump Sum $ ☐ Due on Receipt
☐ Monthly $ ☐ Net 30
☒ Other $ ☐ Other
☐ Requirements Funding Info:
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Total Amt of Previous Amendments $
Requirements Amount Amendment: $
Total Amount of Requirements $

REQUIRED SIGNATURES:

Department Manager [signature] DATE 10/8/03
Purchasing Manager DATE
County Attorney [signature] DATE 10/8/03
County Chair [signature] DATE 10.30.03
Sheriff DATE
Contract Administration DATE

COMMENTS:

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-8 DATE 10-30-03
DEBORAH L. BOGSTAD, BOARD CLERK

Multnomah County, Oregon
Parkrose School District

Multnomah County Personal Income Tax
Intergovernmental Agreement

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Total	$132,336,410		100.0%

3. Funds from the personal income tax will be distributed to School District based on the state school funding, per pupil (ADMw), distribution model. The 2003/2004 distribution is based on $618 per ADMw. The distribution formula will be reviewed and may be changed for subsequent fiscal years.

4. The County shall apportion to the School District an aggregate amount of 2.556% of the net personal income tax cash receipts received. The apportionment and distribution to the School District is based on the table below:

	ADMw	Estimated Amount to be Apportioned	Percent of Distribution
Centennial	7,402	$4,574,436	4.323%
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7. The County shall distribute funds to the School District as follows:

    a. Distributions of all funds received shall be made by the 5th business day of the month following the County's receipt of cash payments of personal income tax revenue in accordance with the distribution formula in Section 4 and commencing no later than January 8, 2004.

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    c. With each payment made to the School District, the County shall provide information including the gross amount collected and the total amount distributed to the School District to date for the fiscal year.

8. If in any fiscal year the actual personal income tax collections do not meet the estimated apportioned amount, or the County reduces the amount of tax collected as set forth in Section 11 below, the School District's apportionment will be reduced in the proportions set forth in Section 4 above and the County is not responsible for making up the difference between the estimated apportioned amount and the actual collections.

9. The County agrees to make reasonable efforts and use best practices in the collection and enforcement of the tax. The County retains the right to provide for amnesty programs or other collection enforcement decisions.

10. If in any fiscal year the actual personal income tax collections exceed the estimated apportioned amount, the County may do any of the following to meet the intent of the Measure:

    a. Place the excess collections in a reserve fund to be distributed to the School District in subsequent years when collections do not meet the estimated apportionment.

    b. Reduce the personal income tax rate to reduce collections in subsequent years.

    c. Rebate excess collections to tax payers.

    d. Distribute all or part of the excess collections in accordance with Section 4.

    e. Implement a combination of a, b, or c above.

11. If the State school funding received by the School District is in excess of the amounts underlying the computation of the tax, the County may do one of the following to meet the intent of the Measure:

a. Place excess County collections in a reserve fund to be distributed to the School District or County programs, in accordance with the distribution formula in Section 4 above, in the event the State reduces the School funding allocation or funding of County programs in the current or subsequent years.

b. Increase or decrease the personal income tax rate to adjust for any funding changes made by the State.

c. Refund excess collections to tax payers.

d. Implement a combination of a, b, or c above.

12. At the end of fiscal year 2005/2006, the County shall retain sufficient tax collection monies to pay for refunds, pay administrative costs or pay for other costs associated with closing the tax out in fiscal year 2006/2007. The County will provide the School District with a complete accounting of the administrative expenses and the close out costs.

13. If at the end of fiscal year 2006/2007 there remains a balance, after all close out expenses are made, the County may rebate the balance to taxpayers or distribute the apportioned share of the balance to the School District.

14. The School District is responsible for obtaining any short-term cash flow funding needs and the County is not responsible for prepaying any of the personal income tax or for assisting the School District in obtaining cash flow Tax Revenue Anticipation Notes.

15. The School District agrees to use the funds for the following services:

    a. To maintain or improve student-teacher ratios.

    b. To maintain instructional days to help ensure a full, 180-day school year.

    c. To fund programs and services that prepare students for college and the workforce.

    d. To communicate with citizens about achievement and accounting for the use of these tax dollars.

16. The School District will continue to apply resource management, cost containment, and organizational structure responsibly to ensure that every tax dollar, whether raised locally or received from the State, is used most effectively to provide a high quality educational experience to all students.

17. The School District agrees to provide the Advisory Council, in a common format acceptable to the Advisory Council and agreed upon by all school districts, a reasonably detailed plan based on the Adopted Budget of how it will expend its allocation of the tax to ensure the services in Paragraph 15 above are met. The plan will be submitted no later than December 31st of each year.

18. The Advisory Council may review expenditures and may make recommendations. The School District agrees to provide a reasonably detailed accounting of the expenditures of these local income tax revenues based on the audited financial statements published in its

Comprehensive Annual Financial Report to the Advisory Council no later than December 31st of each year.

19. The following items produced in Sections 16 and 17 will be provided to the County by the dates listed below:

    December 31, 2003 - plan for 2003/04 school year

    December 31, 2004 - accounting for 2003/04 school year and plan for 2004/05 school year

    December 31, 2005 - accounting for 2004/05 school year and plan for 2005/06 school year

    December 31, 2006 - accounting for 2005/06 school year

20. The School District agrees that performance audits may be conducted jointly by the City Auditor and the County Auditor in order to identify potential cost-savings through more efficient use of resources, opportunities to improve school effectiveness, and capacity-building for increased accountability. The City Auditor and County Auditor will work with the School District to define the scope and design of the performance audits. The auditors will provide an opportunity for the School District to respond to the audit report before delivering the report directly to the Board of Education. Audit reports will also be provided to the Advisory Council, the City Council and the Board of County Commissioners. The School District shall cooperate with the auditors and will provide documents and data reasonably requested by the auditors.

21. In the event that the Multnomah County Board of Commissioners determines that funds provided to the School District have not been used as specified in paragraph 15 above or that the School District has not complied with any of the terms of this agreement, the County may suspend or terminate additional allocations to the School District. Prior to suspending or terminating the distribution of funds, the County will provide written notice to the School District detailing the non compliance and the School District has 30 days to correct the non compliance by restoring the tax funds with other School District funds or satisfactorily explaining the expenditure to the Board of County Commissioners.

22. This agreement shall take effect upon execution by the parties' duly authorized representatives. This agreement shall be in effect from July 1, 2003 through June 30, 2006 unless one of the following provisions applies:

    a. If the County's personal income tax is repealed, this agreement shall automatically terminate as of the effective date of the repeal.

    b. The County personal income tax expires and all collections have been distributed.

23. The parties shall comply with all applicable laws in connection with this agreement.

24. No party may assign its rights or obligations under this agreement. No such assignment may affect any rights of the School District without their written concurrence.

25. This agreement may be amended only upon the written concurrence of both parties.

IN WITNESS WHEREOF, the authorized representatives of the County and School District, as parties hereto, acting pursuant to the authority granted to them,

HEREBY AGREED:

MULTNOMAH COUNTY

By _____
Multnomah County Chair

Date signed: 10.30.03

By _____
Superintendent

Date signed: _____

Reviewed by:

_____
Agnes Sowle, County Attorney

Reviewed by:

_____
Attorney for
School District

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-8 DATE 10-30-03
DEBORAH L. BOGSTAD, BOARD CLERK

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: **October 30, 2003**
Agenda Item #: **R-9**
Est. Start Time: **11:30 AM**
Date Submitted: **10/08/03**

Requested Date: October 30, 2003 **Time Requested:** 10 to 15 min

Department: Chair's Office, DBCS **Division:** Finance, Budget and Tax

Contact/s: Kathy Turner, Dave Boyer,

Phone: 988-3903 **Ext.:** 83903 **I/O Address:** 503/4

Presenters: Dave Boyer, Kathy Turner and Agnes Sowle

Agenda Title: Multnomah County Personal Income Tax Intergovernmental Agreement between Multnomah County and Reynolds School District.

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

---

1. **What action are you requesting from the Board? What is the department/agency recommendation?** Approve the Intergovernmental Agreement Reynolds School District.

2. **Please provide sufficient background information for the Board and the public to understand this issue.**

   - This Intergovernmental Agreement lays out the reporting requirements and administrative procedures to account for and distribute the Multnomah County Personal Income Tax measure 26-48 approved by the voters on May 20, 2003.

   - The personal income tax is effective January 1, 2003 and terminates December 31, 2005, and will fund School programs for fiscal years, 2003/2004, 2004/2005 and 2005/2006.

- Funds from the personal income tax will be distributed to County public schools based on the state school funding, per pupil (ADMw), distribution model. The distribution is based on $618 per ADMw for FY04. The distribution formula will be reviewed and may be changed for subsequent fiscal years.

- HB 5077 appropriates $5.2 billion in state resources to the Department of Education for the 2003/2005 biennium State School Fund. An additional $100 million may be allocated in 2004/2005 if certain state General Fund and lottery revenue targets are met. The bill reduces the 2004/2005 State School Fund appropriation by $285 million if the graduated income tax assessment component of the legislature's revenue package (HB2152) is referred by petition to voters and rejected. It reduces the 2004/2005 appropriation by $414 million if the entire revenue package is referred and rejected. If HB 5077 or any component of HB 5077 is rejected by the voters, the School District agrees to work with the County to ensure that enough funds are placed in reserve to provide for the services outlined in Section 15 below in the second year of the biennium. It is the intent of this agreement that the School District will receive the three-year aggregate total of the Base Funding reduced by any State appropriation to the Department of Education that exceeds $4.8 billion in each of the three fiscal years.

- The County has used its best judgment in estimating the amounts that will be available each fiscal year for distribution to the schools. If collections do not meet expectations the County is not responsible to provide funding for the schools.

- The Measure creates a School Efficiency and Quality Advisory Council ("the Advisory Council") that includes parents, educators, taxpayers, and business, labor, and government leaders to ensure that the funds allocated to the schools benefit students in the classroom and that the personal income tax dollars are well spent. The IGA covers the reporting requirements.

- The Measure provides that independent performance audits will be conducted on the use of funds generated by the measure. The IGA covers this auditing function.

3. **Explain the fiscal impact (current year and ongoing)**. The revenues and expenditures of about $90 million for the Schools are included in the adopted budget.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain:

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- **What budgets are increased/decreased?**
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- **Is the revenue one-time-only in nature?**
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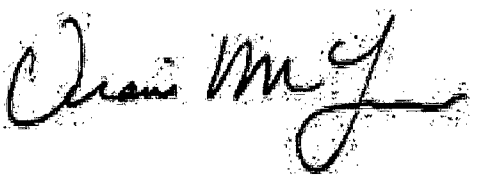
NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

4. **Explain any legal and/or policy issues**. Meets the County's legal requirements and is consistent with County policies

5. **Explain any citizen and/or other government participation that has or will take place**. None.

Required Signatures:



Department/Agency Director: **Date: 10/16/03**

Budget Analyst

By: **Date:**

Dept/Countywide HR

By: **Date:**

MULTNOMAH COUNTY CONTRACT APPROVAL FORM

Contract #: 0410539

Pre-approved Contract Boilerplate (with County Attorney signature) ☐Attached ☐Not Attached Amendment #:

CLASS I	CLASS II	CLASS III A
Contracts $75,000 and less per 12 month period	Contracts over $75,000 per 12 month period	☐ Government Contracts (190 Agreement)
☐ Professional Services Contracts	☐ Professional Services Contracts	☐ Expenditure ☐ Non-Expenditure ☐ Revenue
☐ PCRB Contracts ☐ Maintenance Agreements ☐ Licensing Agreements ☐ Public Works Construction Contracts	☐ PCRB Contracts ☐ Maintenance Agreements ☐ Licensing Agreements ☐ Public Works Construction Contracts	**CLASS III B** ☒ Government Contracts (Non-190 Agreement)
☐ Architectural & Engineering Contracts	☐ Architectural & Engineering Contracts	☒ Expenditure ☐ Non-Expenditure ☐ Revenue
☐ Revenue Contracts ☐ Grant Contracts ☐ Non-Expenditure Contracts	☐ Revenue Contracts ☐ Grant Contracts ☐ Non-Expenditure Contracts	☐ Interdepartmental Contracts

Department: Finance Budget and Tax Division: Tax Date: October 16, 200
Originator: Theresa Sullivan Phone: (503) 988-3635 Bldg/Rm: 501/4th floor
Contact: Dave Boyer Phone: (503) 988-3903 Bldg/Rm: 501/4th floor
Description of Contract:

RENEWAL: ☐ PREVIOUS CONTRACT #(S): None
RFP/BID: RFP/BID DATE: N/A
EXEMPTION #: ORS/AR #:
Effective DATE: EXPIRATION DATE:
CONTRACTOR IS: ☐ MBE ☐ WBE ☐ ESB ☐ QRF State Cert# or ☐ Self Cert ☐ Non-Profit ☒ N/A (*Check all boxes that apply*)

Contractor: Reynolds School District
Address:
City/State: Portland, Oregon
ZIP Code:
Phone: (503) 661-7200
Employer ID# or SS#:
Contract Effective Date: July 1, 2003 Term 6/30/06
Amendment Effect Date: New Term Date

Remittance address (*If different*):

Payment Schedule / Terms
☐ Lump Sum $ ☐ Due on Receipt
☐ Monthly $ ☐ Net 30
☒ Other $ ☐ Other
☐ Requirements Funding Info:

Original Contract Amount	$24,000,000	Original Requirements Amount	$
Total Amt of Previous Amendments	$	Total Amt of Previous Amendments	$
Amount of Amendment	$	Requirements Amount Amendment:	$
Total Amount of Agreement $	$24,000,000	Total Amount of Requirements	$

REQUIRED SIGNATURES:

Department Manager		DATE 10/8/03
Purchasing Manager		DATE
County Attorney		DATE 10/9/03
County Chair		DATE 10.30.03
Sheriff		DATE
Contract Administration		DATE

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-9 DATE 10-30-03
DEBORAH L. BOGSTAD, BOARD CLERK

COMMENTS:

Multnomah County, Oregon
Reynolds School District

Multnomah County Personal Income Tax
Intergovernmental Agreement

THIS AGREEMENT entered into by and between Multnomah County, Oregon, hereinafter "County", and the Reynolds School District hereinafter "School District", and is dated_____2003.

WITNESSETH, the parties hereto recite the following reasons for entering into this agreement:

A. On March 13, 2003, the Multnomah County Board of Commissioners passed Resolution 03-037 resolving, in part, to refer a Measure to the voters to impose a personal income tax.

B. On May 20, 2003, the voters of the County passed a temporary three-year personal income tax, Measure 26-48 "Measure," that will provide an estimated $128,000,000 to $135,000,000 each fiscal year in funding for County School Districts, County Programs, Auditing and Collection Costs.

C. The personal income tax rate is 1.25% on Oregon taxable income after deducting for either single exemptions of $2,500 or joint exemptions of $5,000 and is levied on County residents.

D. The personal income tax is effective January 1, 2003 and terminates December 31, 2005, and will fund School programs for fiscal years, 2003/2004, 2004/2005 and 2005/2006.

E. The personal income tax is due on April 15 beginning in year 2004 and ending in year 2006.

F. County Personal Income Tax Administrative Rules allow employers the option to deduct personal income tax withholdings from the paychecks of County residents.

G. County Personal Income Tax Administrative Rules allow for estimated quarterly payments to be made by County residents.

H. It is expected that the majority of the tax receipts will be received by the County in April, May and June of each year.

I. The Measure creates a School Efficiency and Quality Advisory Council ("the Advisory Council") that includes parents, educators, taxpayers, and business, labor, and government leaders to review expenditures by county school districts of funds generated by the Measure and to oversee the new local revenues for the benefit of students.

J. The School District's governing body has statutory authority under ORS 332.072 through 332.111 to administer the instructional and financial programs of the School District. Nothing in this agreement is intended to abrogate this statutory responsibility.

K. The Measure provides that independent performance audits will be conducted on funds generated by the measure.

NOW THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. The County has used its best judgment in estimating the amounts that will be available for distribution to the School District.

2. Funds from the personal income tax will be distributed to the School District and the County based on the following table. The distribution split will be reviewed and may be changed based on the outcome of a referendum to rescind the State tax surcharge as it impacts State school funding. The funding level below is considered the base funding level and that the base funding will be increased in FY 2004/2005 and 2005/2006 by the Portland Consumer Price Index for All Urban Consumers (CPI-U) as of February of each year.

	Amount		Percent of Total
County Schools	$93,327,900		70.5%
County Programs	$32,000,000		24.2%
Administration	$7,008,510		5.3%
Total	$132,336,410		100.0%

3. Funds from the personal income tax will be distributed to School District based on the state school funding, per pupil (ADMw), distribution model. The 2003/2004 distribution is based on $618 per ADMw. The distribution formula will be reviewed and may be changed for subsequent fiscal years.

4. The County shall apportion to the School District an aggregate amount of 7.217% of the net personal income tax cash receipts received. The apportionment and distribution to the School District is based on the table below:

	ADMw	Estimated Amount to be Apportioned	Percent of Distribution
Centennial	7,402	$4,574,436	4.323%
Corbett	720	$444,960	.420%
David Douglas	10,976	$6,783,168	6.410%
Gresham-Barlow	12,427	$7,679,886	7.257%
Parkrose	4,376	$2,704,368	2.556%
Portland Public	59,178	$ 36,572,003	34.560%
Reynolds	12,357	$7,636,626	7.217%
Victory Middle School	137	$84,666	.080%
Riverdale School District 51J	538	$332,484	.314%
County Programs	N/A	$32,000,000	30.240%
Collection & Auditing Costs	N/A	7,008,510	6.623%
Total	108,111	$105,821,107	100.000%

5. The table in Section 4 above may be adjusted each fiscal year based on the state school funding levels, change in ADMw, actual tax collections, either negative or positive, and amounts held in reserve, if any.

6. HB 5077 appropriates $5.2 billion in state resources to the Department of Education for the 2003/2005 biennium State School Fund. An additional $100 million may be allocated in 2004/2005 if certain state General Fund and lottery revenue targets are met. The bill reduces the 2004/2005 State School Fund appropriation by $285 million if the graduated income tax assessment component of the legislature's revenue package (HB2152) is

referred by petition to voters and rejected. It reduces the 2004/2005 appropriation by $414 million if the entire revenue package is referred and rejected. If HB 5077 or any component of HB 5077 is rejected by the voters, the School District agrees to work with the County to ensure that enough funds are placed in reserve to provide for the services outlined in Section 15 below in the second year of the biennium. It is the intent of this agreement that the School District will receive the three-year aggregate total of the Base Funding reduced by any State appropriation to the Department of Education that exceeds $4.8 billion in each of the three fiscal years.

7. The County shall distribute funds to the School District as follows:

    a. Distributions of all funds received shall be made by the 5th business day of the month following the County's receipt of cash payments of personal income tax revenue in accordance with the distribution formula in Section 4 and commencing no later than January 8, 2004.

    b. No apportionments or distributions shall be made in any fiscal year until the County receives payments of the personal income tax revenues.

    c. With each payment made to the School District, the County shall provide information including the gross amount collected and the total amount distributed to the School District to date for the fiscal year.

8. If in any fiscal year the actual personal income tax collections do not meet the estimated apportioned amount, or the County reduces the amount of tax collected as set forth in Section 11 below, the School District's apportionment will be reduced in the proportions set forth in Section 4 above and the County is not responsible for making up the difference between the estimated apportioned amount and the actual collections.

9. The County agrees to make reasonable efforts and use best practices in the collection and enforcement of the tax. The County retains the right to provide for amnesty programs or other collection enforcement decisions.

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    e. Implement a combination of a, b, or c above.

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IN WITNESS WHEREOF, the authorized representatives of the County and School District, as parties hereto, acting pursuant to the authority granted to them,

HEREBY AGREED:

MULTNOMAH COUNTY

By _____
Multnomah County Chair

Date signed: 10.30.03

By _____
Superintendent

Date signed: _____

Reviewed by:

_____
Agnes Sowle, County Attorney

Reviewed by:

_____
Attorney for
School District

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-9 DATE 10·30·03
DEBORAH L. BOGSTAD, BOARD CLERK

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: October 30, 2003
Agenda Item #: R-10
Est. Start Time: 11:30 AM
Date Submitted: 10/08/03

Requested Date: October 30, 2003 **Time Requested:** 10 to 15 min

Department: Chair's Office, DBCS **Division:** Finance, Budget and Tax

Contact/s: Kathy Turner, Dave Boyer,

Phone: 988-3903 **Ext.:** 83903 **I/O Address:** 503/4

Presenters: Dave Boyer, Kathy Turner and Agnes Sowle

Agenda Title: Multnomah County Personal Income Tax Intergovernmental Agreement between Multnomah County and Riverdale School District.

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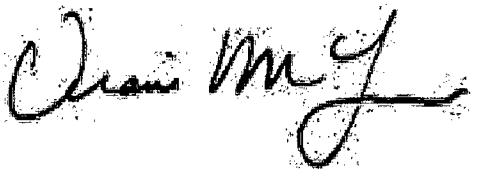


Department/Agency Director: **Date: 10/16/03**

Budget Analyst

By: **Date:**

Dept/Countywide HR

By: **Date:**

MULTNOMAH COUNTY CONTRACT APPROVAL FORM

Contract #: 0410540

Pre-approved Contract Boilerplate (with County Attorney signature) ☐Attached ☐Not Attached Amendment #:

CLASS I	CLASS II	CLASS III A
Contracts $75,000 and less per 12 month period	Contracts over $75,000 per 12 month period	☐ Government Contracts (190 Agreement)
☐ Professional Services Contracts ☐ PCRB Contracts ☐ Maintenance Agreements ☐ Licensing Agreements ☐ Public Works Construction Contracts ☐ Architectural & Engineering Contracts ☐ Revenue Contracts ☐ Grant Contracts ☐ Non-Expenditure Contracts	☐ Professional Services Contracts ☐ PCRB Contracts ☐ Maintenance Agreements ☐ Licensing Agreements ☐ Public Works Construction Contracts ☐ Architectural & Engineering Contracts ☐ Revenue Contracts ☐ Grant Contracts ☐ Non-Expenditure Contracts	☐ Expenditure ☐ Non-Expenditure ☐ Revenue **CLASS III B** ☒ Government Contracts (Non-190 Agreement) ☒ Expenditure ☐ Non-Expenditure ☐ Revenue ☐ Interdepartmental Contracts

Department: Finance Budget and Tax Division: Tax Date: October 16, 200
Originator: Theresa Sullivan Phone: (503) 988-3635 Bldg/Rm: 501/4th floor
Contact: Dave Boyer Phone: (503) 988-3903 Bldg/Rm: 501/4th floor
Description of Contract:

RENEWAL: ☐ PREVIOUS CONTRACT #(S): None
RFP/BID: RFP/BID DATE: N/A
EXEMPTION #: ORS/AR #:
Effective DATE: EXPIRATION DATE:
CONTRACTOR IS: ☐ MBE ☐ WBE ☐ ESB ☐ QRF State Cert# or ☐ Self Cert ☐ Non-Profit ☒ N/A *(Check all boxes that apply)*

Contractor Riverdale School District
Address
City/State Portland, Oregon
ZIP Code
Phone (503) 636-8611
Employer ID# or SS#
Contract Effective Date July 1, 2003 Term 6/30/06
Amendment Effect Date New Term Date

Remittance address
(If different)

Payment Schedule / Terms
☐ Lump Sum $ ☐ Due on Receipt
☐ Monthly $ ☐ Net 30
☒ Other $ ☐ Other
☐ Requirements Funding Info:

Original Contract Amount	$1,050,000
Total Amt of Previous Amendments	$
Amount of Amendment	$
Total Amount of Agreement $	$1,050,000

Original Requirements Amount	$
Total Amt of Previous Amendments	$
Requirements Amount Amendment:	$
Total Amount of Requirements	$

REQUIRED SIGNATURES:

Department Manager _____ DATE 10/8/03
Purchasing Manager _____ DATE
County Attorney _____ DATE 10/8/03
County Chair _____ DATE 10.30.03
Sheriff _____ DATE
Contract Administration _____ DATE

COMMENTS:

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-10 DATE 10.30.03
DEBORAH L. BOGSTAD, BOARD CLERK

Multnomah County, Oregon
Riverdale School District 51J

Multnomah County Personal Income Tax
Intergovernmental Agreement

THIS AGREEMENT entered into by and between Multnomah County, Oregon, hereinafter "County", and Riverdale School District 51J, hereinafter "School District", and is dated_____2003.

WITNESSETH, the parties hereto recite the following reasons for entering into this agreement:

A. On March 13, 2003, the Multnomah County Board of Commissioners passed Resolution 03-037 resolving, in part, to refer a Measure to the voters to impose a personal income tax.

B. On May 20, 2003, the voters of the County passed a temporary three-year personal income tax, Measure 26-48 "Measure," that will provide an estimated $128,000,000 to $135,000,000 each fiscal year in funding for County School Districts, County Programs, Auditing and Collection Costs.

C. The personal income tax rate is 1.25% on Oregon taxable income after deducting for either single exemptions of $2,500 or joint exemptions of $5,000 and is levied on County residents.

D. The personal income tax is effective January 1, 2003 and terminates December 31, 2005, and will fund School programs for fiscal years, 2003/2004, 2004/2005 and 2005/2006.

E. The personal income tax is due on April 15 beginning in year 2004 and ending in year 2006.

F. County Personal Income Tax Administrative Rules allow employers the option to deduct personal income tax withholdings from the paychecks of County residents.

G. County Personal Income Tax Administrative Rules allow for estimated quarterly payments to be made by County residents.

H. It is expected that the majority of the tax receipts will be received by the County in April, May and June of each year.

I. The Measure creates a School Efficiency and Quality Advisory Council ("the Advisory Council") that includes parents, educators, taxpayers, and business, labor, and government leaders to review expenditures by county school districts of funds generated by the Measure and to oversee the new local revenues for the benefit of students.

J. The School District's governing body has statutory authority under ORS 332.072 through 332.111 to administer the instructional and financial programs of the School District. Nothing in this agreement is intended to abrogate this statutory responsibility.

K. The Measure provides that independent performance audits will be conducted on funds generated by the measure.

NOW THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. The County has used its best judgment in estimating the amounts that will be available for distribution to the School District.

2. Funds from the personal income tax will be distributed to the School District and the County based on the following table. The distribution split will be reviewed and may be changed based on the outcome of a referendum to rescind the State tax surcharge as it impacts State school funding. The funding level below is considered the base funding level and that the base funding will be increased in FY 2004/2005 and 2005/2006 by the Portland Consumer Price Index for All Urban Consumers (CPI-U) as of February of each year.

	Amount		Percent of Total
County Schools	$93,327,900		70.5%
County Programs	$32,000,000		24.2%
Administration	$7,008,510		5.3%
Total	$132,336,410		100.0%

3. Funds from the personal income tax will be distributed to School District based on the state school funding, per pupil (ADMw), distribution model. The 2003/2004 distribution is based on $618 per ADMw. The distribution formula will be reviewed and may be changed for subsequent fiscal years.

4. The County shall apportion to the School District an aggregate amount of .314% of the net personal income tax cash receipts received. The apportionment and distribution to the School District is based on the table below:

	ADMw	Estimated Amount to be Apportioned	Percent of Distribution
Centennial	7,402	$4,574,436	4.323%
Corbett	720	$444,960	.420%
David Douglas	10,976	$6,783,168	6.410%
Gresham-Barlow	12,427	$7,679,886	7.257%
Parkrose	4,376	$2,704,368	2.556%
Portland Public	59,178	$ 36,572,003	34.560%
Reynolds	12,357	$7,636,626	7.217%
Victory Middle School	137	$84,666	.080%
Riverdale School District 51J	538	$332,484	.314%
County Programs	N/A	$32,000,000	30.240%
Collection & Auditing Costs	N/A	7,008,510	6.623%
Total	**108,111**	**$105,821,107**	**100.000%**

5. The table in Section 4 above may be adjusted each fiscal year based on the state school funding levels, change in ADMw, actual tax collections, either negative or positive, and amounts held in reserve, if any.

6. HB 5077 appropriates $5.2 billion in state resources to the Department of Education for the 2003/2005 biennium State School Fund. An additional $100 million may be allocated in 2004/2005 if certain state General Fund and lottery revenue targets are met. The bill reduces the 2004/2005 State School Fund appropriation by $285 million if the graduated income tax assessment component of the legislature's revenue package (HB2152) is

referred by petition to voters and rejected. It reduces the 2004/2005 appropriation by $414 million if the entire revenue package is referred and rejected. If HB 5077 or any component of HB 5077 is rejected by the voters, the School District agrees to work with the County to ensure that enough funds are placed in reserve to provide for the services outlined in Section 15 below in the second year of the biennium. It is the intent of this agreement that the School District will receive the three-year aggregate total of the Base Funding reduced by any State appropriation to the Department of Education that exceeds $4.8 billion in each of the three fiscal years.

7. The County shall distribute funds to the School District as follows:

    a. Distributions of all funds received shall be made by the 5th business day of the month following the County's receipt of cash payments of personal income tax revenue in accordance with the distribution formula in Section 4 and commencing no later than January 8, 2004.

    b. No apportionments or distributions shall be made in any fiscal year until the County receives payments of the personal income tax revenues.

    c. With each payment made to the School District, the County shall provide information including the gross amount collected and the total amount distributed to the School District to date for the fiscal year.

8. If in any fiscal year the actual personal income tax collections do not meet the estimated apportioned amount, or the County reduces the amount of tax collected as set forth in Section 11 below, the School District's apportionment will be reduced in the proportions set forth in Section 4 above and the County is not responsible for making up the difference between the estimated apportioned amount and the actual collections.

9. The County agrees to make reasonable efforts and use best practices in the collection and enforcement of the tax. The County retains the right to provide for amnesty programs or other collection enforcement decisions.

10. If in any fiscal year the actual personal income tax collections exceed the estimated apportioned amount, the County may do any of the following to meet the intent of the Measure:

    a. Place the excess collections in a reserve fund to be distributed to the School District in subsequent years when collections do not meet the estimated apportionment.

    b. Reduce the personal income tax rate to reduce collections in subsequent years.

    c. Rebate excess collections to tax payers.

    d. Distribute all or part of the excess collections in accordance with Section 4.

    e. Implement a combination of a, b, or c above.

11. If the State school funding received by the School District is in excess of the amounts underlying the computation of the tax, the County may do one of the following to meet the intent of the Measure:

a. Place excess County collections in a reserve fund to be distributed to the School District or County programs, in accordance with the distribution formula in Section 4 above, in the event the State reduces the School funding allocation or funding of County programs in the current or subsequent years.

b. Increase or decrease the personal income tax rate to adjust for any funding changes made by the State.

c. Refund excess collections to tax payers.

d. Implement a combination of a, b, or c above.

12. At the end of fiscal year 2005/2006, the County shall retain sufficient tax collection monies to pay for refunds, pay administrative costs or pay for other costs associated with closing the tax out in fiscal year 2006/2007. The County will provide the School District with a complete accounting of the administrative expenses and the close out costs.

13. If at the end of fiscal year 2006/2007 there remains a balance, after all close out expenses are made, the County may rebate the balance to taxpayers or distribute the apportioned share of the balance to the School District.

14. The School District is responsible for obtaining any short-term cash flow funding needs and the County is not responsible for prepaying any of the personal income tax or for assisting the School District in obtaining cash flow Tax Revenue Anticipation Notes.

15. The School District agrees to use the funds for the following services:

    a. To maintain or improve student-teacher ratios.

    b. To maintain instructional days to help ensure a full, 180-day school year.

    c. To fund programs and services that prepare students for college and the workforce.

    d. To communicate with citizens about achievement and accounting for the use of these tax dollars.

16. The School District will continue to apply resource management, cost containment, and organizational structure responsibly to ensure that every tax dollar, whether raised locally or received from the State, is used most effectively to provide a high quality educational experience to all students.

17. The School District agrees to provide the Advisory Council, in a common format acceptable to the Advisory Council and agreed upon by all school districts, a reasonably detailed plan based on the Adopted Budget of how it will expend its allocation of the tax to ensure the services in Paragraph 15 above are met. The plan will be submitted no later than December 31st of each year.

18. The Advisory Council may review expenditures and may make recommendations. The School District agrees to provide a reasonably detailed accounting of the expenditures of these local income tax revenues based on the audited financial statements published in its

Comprehensive Annual Financial Report to the Advisory Council no later than December 31st of each year.

19. The following items produced in Sections 16 and 17 will be provided to the County by the dates listed below:

    December 31, 2003 - plan for 2003/04 school year

    December 31, 2004 - accounting for 2003/04 school year and plan for 2004/05 school year

    December 31, 2005 - accounting for 2004/05 school year and plan for 2005/06 school year

    December 31, 2006 - accounting for 2005/06 school year

20. The School District agrees that performance audits may be conducted jointly by the City Auditor and the County Auditor in order to identify potential cost-savings through more efficient use of resources, opportunities to improve school effectiveness, and capacity-building for increased accountability. The City Auditor and County Auditor will work with the School District to define the scope and design of the performance audits. The auditors will provide an opportunity for the School District to respond to the audit report before delivering the report directly to the Board of Education. Audit reports will also be provided to the Advisory Council, the City Council and the Board of County Commissioners. The School District shall cooperate with the auditors and will provide documents and data reasonably requested by the auditors.

21. In the event that the Multnomah County Board of Commissioners determines that funds provided to the School District have not been used as specified in paragraph 15 above or that the School District has not complied with any of the terms of this agreement, the County may suspend or terminate additional allocations to the School District. Prior to suspending or terminating the distribution of funds, the County will provide written notice to the School District detailing the non compliance and the School District has 30 days to correct the non compliance by restoring the tax funds with other School District funds or satisfactorily explaining the expenditure to the Board of County Commissioners.

22. This agreement shall take effect upon execution by the parties' duly authorized representatives. This agreement shall be in effect from July 1, 2003 through June 30, 2006 unless one of the following provisions applies:

    a. If the County's personal income tax is repealed, this agreement shall automatically terminate as of the effective date of the repeal.

    b. The County personal income tax expires and all collections have been distributed.

23. The parties shall comply with all applicable laws in connection with this agreement.

24. No party may assign its rights or obligations under this agreement. No such assignment may affect any rights of the School District without their written concurrence.

25. This agreement may be amended only upon the written concurrence of both parties.

IN WITNESS WHEREOF, the authorized representatives of the County and School District, as parties hereto, acting pursuant to the authority granted to them,

HEREBY AGREED:

MULTNOMAH COUNTY

By_____
Multnomah County Chair

Date signed: 10·30·03

By_____
Superintendent

Date signed:_____

Reviewed by:

_____
Agnes Sowle, County Attorney

Reviewed by:

_____
Attorney for
School District

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-10 DATE 10·30·03
DEBORAH L. BOGSTAD, BOARD CLERK

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: October 30, 2003
Agenda Item #: R-11
Est. Start Time: 11:30 AM
Date Submitted: 10/08/03

Requested Date: October 30, 2003 **Time Requested:** 10 to 15 min

Department: Chair's Office, DBCS **Division:** Finance, Budget and Tax

Contact/s: Kathy Turner, Dave Boyer,

Phone: 988-3903 **Ext.:** 83903 **I/O Address:** 503/4

Presenters: Dave Boyer, Kathy Turner and Agnes Sowle

Agenda Title: Multnomah County Personal Income Tax Intergovernmental Agreement between Multnomah County and Victory Middle School.

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

---

1. **What action are you requesting from the Board? What is the department/agency recommendation?** Approve the Intergovernmental Agreement Victory Middle School.

2. **Please provide sufficient background information for the Board and the public to understand this issue.**

   - This Intergovernmental Agreement lays out the reporting requirements and administrative procedures to account for and distribute the Multnomah County Personal Income Tax measure 26-48 approved by the voters on May 20, 2003.

   - The personal income tax is effective January 1, 2003 and terminates December 31, 2005, and will fund School programs for fiscal years, 2003/2004, 2004/2005 and 2005/2006.

   - Funds from the personal income tax will be distributed to County public schools based on the state school funding, per pupil (ADMw), distribution model. The

distribution is based on $618 per ADMw for FY04. The distribution formula will be reviewed and may be changed for subsequent fiscal years.

- HB 5077 appropriates $5.2 billion in state resources to the Department of Education for the 2003/2005 biennium State School Fund. An additional $100 million may be allocated in 2004/2005 if certain state General Fund and lottery revenue targets are met. The bill reduces the 2004/2005 State School Fund appropriation by $285 million if the graduated income tax assessment component of the legislature's revenue package (HB2152) is referred by petition to voters and rejected. It reduces the 2004/2005 appropriation by $414 million if the entire revenue package is referred and rejected. If HB 5077 or any component of HB 5077 is rejected by the voters, the School District agrees to work with the County to ensure that enough funds are placed in reserve to provide for the services outlined in Section 15 below in the second year of the biennium. It is the intent of this agreement that the School District will receive the three-year aggregate total of the Base Funding reduced by any State appropriation to the Department of Education that exceeds $4.8 billion in each of the three fiscal years.

- The County has used its best judgment in estimating the amounts that will be available each fiscal year for distribution to the schools. If collections do not meet expectations the County is not responsible to provide funding for the schools.

- The Measure creates a School Efficiency and Quality Advisory Council ("the Advisory Council") that includes parents, educators, taxpayers, and business, labor, and government leaders to ensure that the funds allocated to the schools benefit students in the classroom and that the personal income tax dollars are well spent. The IGA covers the reporting requirements.

- The Measure provides that independent performance audits will be conducted on the use of funds generated by the measure. The IGA covers this auditing function.

3. **Explain the fiscal impact (current year and ongoing)**. The revenues and expenditures of about $90 million for the Schools are included in the adopted budget.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain:

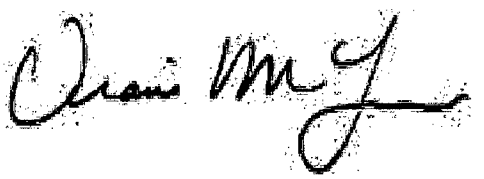
- **What revenue is being changed and why?**
- **What budgets are increased/decreased?**
- **What do the changes accomplish?**
- **Do any personnel actions result from this budget modification? Explain.**
- **Is the revenue one-time-only in nature?**
- **If a grant, what period does the grant cover?**
- **When the grant expires, what are funding plans?**

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

4. **Explain any legal and/or policy issues**. Meets the County's legal requirements and is consistent with County policies

5. **Explain any citizen and/or other government participation that has or will take place**. None.

Required Signatures:



Department/Agency Director: **Date: 10/16/03**

Budget Analyst

By: **Date:**

Dept/Countywide HR

By: **Date:**

MULTNOMAH COUNTY CONTRACT APPROVAL FORM

Contract #: 0410541

Pre-approved Contract Boilerplate (with County Attorney signature) ☐Attached ☐Not Attached Amendment #:

CLASS I	CLASS II	CLASS III A
Contracts $75,000 and less per 12 month period	Contracts over $75,000 per 12 month period	☐ Government Contracts (190 Agreement)
☐ Professional Services Contracts ☐ PCRB Contracts ☐ Maintenance Agreements ☐ Licensing Agreements ☐ Public Works Construction Contracts ☐ Architectural & Engineering Contracts ☐ Revenue Contracts ☐ Grant Contracts ☐ Non-Expenditure Contracts	☐ Professional Services Contracts ☐ PCRB Contracts ☐ Maintenance Agreements ☐ Licensing Agreements ☐ Public Works Construction Contracts ☐ Architectural & Engineering Contracts ☐ Revenue Contracts ☐ Grant Contracts ☐ Non-Expenditure Contracts	☐ Expenditure ☐ Non-Expenditure ☐ Revenue **CLASS III B** ☒ Government Contracts (Non-190 Agreement) ☒ Expenditure ☐ Non-Expenditure ☐ Revenue ☐ Interdepartmental Contracts

Department: Finance Budget and Tax Division: Tax Date: October 16, 200
Originator: Theresa Sullivan Phone: (503) 988-3635 Bldg/Rm: 501/4th floor
Contact: Dave Boyer Phone: (503) 988-3903 Bldg/Rm: 501/4th floor
Description of Contract:

RENEWAL: ☐ PREVIOUS CONTRACT #(S): None
RFP/BID: RFP/BID DATE: N/A
EXEMPTION #: ORS/AR #:
Effective DATE: EXPIRATION DATE:
CONTRACTOR IS: ☐ MBE ☐ WBE ☐ ESB ☐ QRF State Cert# or ☐ Self Cert ☐ Non-Profit ☒ N/A (*Check all boxes that apply*)

Contractor Address: Victory Middle School
City/State: Portland, Oregon
ZIP Code:
Phone: (503) 294-2003
Employer ID# or SS#:
Contract Effective Date: July 1, 2003 Term 6/30/06
Amendment Effect Date: New Term Date

Remittance address (*If different*):

Payment Schedule / Terms
☐ Lump Sum $ ☐ Due on Receipt
☐ Monthly $ ☐ Net 30
☒ Other $ ☐ Other
☐ Requirements Funding Info:

Original Contract Amount	$270,000
Total Amt of Previous Amendments	$
Amount of Amendment	$
Total Amount of Agreement $	$270,000

Original Requirements Amount	$
Total Amt of Previous Amendments	$
Requirements Amount Amendment:	$
Total Amount of Requirements	$

REQUIRED SIGNATURES:

Department Manager		DATE 10/8/03
Purchasing Manager		DATE
County Attorney		DATE 10/8/03
County Chair		DATE 10.30.03
Sheriff		DATE
Contract Administration		DATE

COMMENTS:

APPROVED: MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-11 DATE 10.30.03
DEBORAH L. BOGSTAD, BOARD CLERK

Multnomah County, Oregon
Victory Middle School

Multnomah County Personal Income Tax
Intergovernmental Agreement

THIS AGREEMENT entered into by and between Multnomah County, Oregon, hereinafter "County", and the Victory Middle School hereinafter "School District", and is dated_____2003.

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A. On March 13, 2003, the Multnomah County Board of Commissioners passed Resolution 03-037 resolving, in part, to refer a Measure to the voters to impose a personal income tax.

B. On May 20, 2003, the voters of the County passed a temporary three-year personal income tax, Measure 26-48 "Measure," that will provide an estimated $128,000,000 to $135,000,000 each fiscal year in funding for County School Districts, County Programs, Auditing and Collection Costs.

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    a. Distributions of all funds received shall be made by the 5th business day of the month following the County's receipt of cash payments of personal income tax revenue in accordance with the distribution formula in Section 4 and commencing no later than January 8, 2004.

    b. No apportionments or distributions shall be made in any fiscal year until the County receives payments of the personal income tax revenues.

    c. With each payment made to the School District, the County shall provide information including the gross amount collected and the total amount distributed to the School District to date for the fiscal year.

8. If in any fiscal year the actual personal income tax collections do not meet the estimated apportioned amount, or the County reduces the amount of tax collected as set forth in Section 11 below, the School District's apportionment will be reduced in the proportions set forth in Section 4 above and the County is not responsible for making up the difference between the estimated apportioned amount and the actual collections.

9. The County agrees to make reasonable efforts and use best practices in the collection and enforcement of the tax. The County retains the right to provide for amnesty programs or other collection enforcement decisions.

10. If in any fiscal year the actual personal income tax collections exceed the estimated apportioned amount, the County may do any of the following to meet the intent of the Measure:

    a. Place the excess collections in a reserve fund to be distributed to the School District in subsequent years when collections do not meet the estimated apportionment.

    b. Reduce the personal income tax rate to reduce collections in subsequent years.

    c. Rebate excess collections to tax payers.

    d. Distribute all or part of the excess collections in accordance with Section 4.

    e. Implement a combination of a, b, or c above.

11. If the State school funding received by the School District is in excess of the amounts underlying the computation of the tax, the County may do one of the following to meet the intent of the Measure:

a. Place excess County collections in a reserve fund to be distributed to the School District or County programs, in accordance with the distribution formula in Section 4 above, in the event the State reduces the School funding allocation or funding of County programs in the current or subsequent years.

b. Increase or decrease the personal income tax rate to adjust for any funding changes made by the State.

c. Refund excess collections to tax payers.

d. Implement a combination of a, b, or c above.

12. At the end of fiscal year 2005/2006, the County shall retain sufficient tax collection monies to pay for refunds, pay administrative costs or pay for other costs associated with closing the tax out in fiscal year 2006/2007. The County will provide the School District with a complete accounting of the administrative expenses and the close out costs.

13. If at the end of fiscal year 2006/2007 there remains a balance, after all close out expenses are made, the County may rebate the balance to taxpayers or distribute the apportioned share of the balance to the School District.

14. The School District is responsible for obtaining any short-term cash flow funding needs and the County is not responsible for prepaying any of the personal income tax or for assisting the School District in obtaining cash flow Tax Revenue Anticipation Notes.

15. The School District agrees to use the funds for the following services:

    a. To maintain or improve student-teacher ratios.

    b. To maintain instructional days to help ensure a full, 180-day school year.

    c. To fund programs and services that prepare students for college and the workforce.

    d. To communicate with citizens about achievement and accounting for the use of these tax dollars.

16. The School District will continue to apply resource management, cost containment, and organizational structure responsibly to ensure that every tax dollar, whether raised locally or received from the State, is used most effectively to provide a high quality educational experience to all students.

17. The School District agrees to provide the Advisory Council, in a common format acceptable to the Advisory Council and agreed upon by all school districts, a reasonably detailed plan based on the Adopted Budget of how it will expend its allocation of the tax to ensure the services in Paragraph 15 above are met. The plan will be submitted no later than December 31st of each year.

18. The Advisory Council may review expenditures and may make recommendations. The School District agrees to provide a reasonably detailed accounting of the expenditures of these local income tax revenues based on the audited financial statements published in its

Comprehensive Annual Financial Report to the Advisory Council no later than December 31st of each year.

19. The following items produced in Sections 16 and 17 will be provided to the County by the dates listed below:

    December 31, 2003 - plan for 2003/04 school year

    December 31, 2004 - accounting for 2003/04 school year and plan for 2004/05 school year

    December 31, 2005 - accounting for 2004/05 school year and plan for 2005/06 school year

    December 31, 2006 - accounting for 2005/06 school year

20. The School District agrees that performance audits may be conducted jointly by the City Auditor and the County Auditor in order to identify potential cost-savings through more efficient use of resources, opportunities to improve school effectiveness, and capacity-building for increased accountability. The City Auditor and County Auditor will work with the School District to define the scope and design of the performance audits. The auditors will provide an opportunity for the School District to respond to the audit report before delivering the report directly to the Board of Education. Audit reports will also be provided to the Advisory Council, the City Council and the Board of County Commissioners. The School District shall cooperate with the auditors and will provide documents and data reasonably requested by the auditors.

21. In the event that the Multnomah County Board of Commissioners determines that funds provided to the School District have not been used as specified in paragraph 15 above or that the School District has not complied with any of the terms of this agreement, the County may suspend or terminate additional allocations to the School District. Prior to suspending or terminating the distribution of funds, the County will provide written notice to the School District detailing the non compliance and the School District has 30 days to correct the non compliance by restoring the tax funds with other School District funds or satisfactorily explaining the expenditure to the Board of County Commissioners.

22. This agreement shall take effect upon execution by the parties' duly authorized representatives. This agreement shall be in effect from July 1, 2003 through June 30, 2006 unless one of the following provisions applies:

    a. If the County's personal income tax is repealed, this agreement shall automatically terminate as of the effective date of the repeal.

    b. The County personal income tax expires and all collections have been distributed.

23. The parties shall comply with all applicable laws in connection with this agreement.

24. No party may assign its rights or obligations under this agreement. No such assignment may affect any rights of the School District without their written concurrence.

25. This agreement may be amended only upon the written concurrence of both parties.

IN WITNESS WHEREOF, the authorized representatives of the County and School District, as parties hereto, acting pursuant to the authority granted to them,

HEREBY AGREED:

MULTNOMAH COUNTY

By _____
Multnomah County Chair

Date signed: 10.30.03

By _____
Superintendent

Date signed: _____

Reviewed by:

_____
Agnes Sowle, County Attorney

Reviewed by:

_____
Attorney for
School District

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-11 DATE 10.30.03
DEBORAH L. BOGSTAD, BOARD CLERK

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: **October 30, 2003**
Agenda Item #: **R-12**
Est. Start Time: **11:30 AM**
Date Submitted: **10/08/03**

Requested Date: October 30, 2003 **Time Requested:** 10 to 15 min

Department: Chair's Office, DBCS **Division:** Finance, Budget and Tax

Contact/s: Kathy Turner, Dave Boyer,

Phone: 988-3903 **Ext.:** 83903 **I/O Address:** 503/4

Presenters: Dave Boyer, Kathy Turner and Agnes Sowle

Agenda Title: Multnomah County Personal Income Tax Intergovernmental Agreement between Multnomah County and Portland Public School District No. 1J.

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

---

1. **What action are you requesting from the Board? What is the department/agency recommendation?** Approve the Intergovernmental Agreement Portland Public School District No. 1J.

2. **Please provide sufficient background information for the Board and the public to understand this issue.**

   - This Intergovernmental Agreement lays out the reporting requirements and administrative procedures to account for and distribute the Multnomah County Personal Income Tax measure 26-48 approved by the voters on May 20, 2003.

   - The personal income tax is effective January 1, 2003 and terminates December 31, 2005, and will fund School programs for fiscal years, 2003/2004, 2004/2005 and 2005/2006.

- Funds from the personal income tax will be distributed to County public schools based on the state school funding, per pupil (ADMw), distribution model. The distribution is based on $618 per ADMw for FY04. The distribution formula will be reviewed and may be changed for subsequent fiscal years.

- HB 5077 appropriates $5.2 billion in state resources to the Department of Education for the 2003/2005 biennium State School Fund. An additional $100 million may be allocated in 2004/2005 if certain state General Fund and lottery revenue targets are met. The bill reduces the 2004/2005 State School Fund appropriation by $285 million if the graduated income tax assessment component of the legislature's revenue package (HB2152) is referred by petition to voters and rejected. It reduces the 2004/2005 appropriation by $414 million if the entire revenue package is referred and rejected. If HB 5077 or any component of HB 5077 is rejected by the voters, the School District agrees to work with the County to ensure that enough funds are placed in reserve to provide for the services outlined in Section 15 below in the second year of the biennium. It is the intent of this agreement that the School District will receive the three-year aggregate total of the Base Funding reduced by any State appropriation to the Department of Education that exceeds $4.8 billion in each of the three fiscal years.

- The County has used its best judgment in estimating the amounts that will be available each fiscal year for distribution to the schools. If collections do not meet expectations the County is not responsible to provide funding for the schools.

- The Measure creates a School Efficiency and Quality Advisory Council ("the Advisory Council") that includes parents, educators, taxpayers, and business, labor, and government leaders to ensure that the funds allocated to the schools benefit students in the classroom and that the personal income tax dollars are well spent. The IGA covers the reporting requirements.

- The Measure provides that independent performance audits will be conducted on the use of funds generated by the measure. The IGA covers this auditing function.

3. **Explain the fiscal impact (current year and ongoing)**. The revenues and expenditures of about $90 million for the Schools are included in the adopted budget.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain:

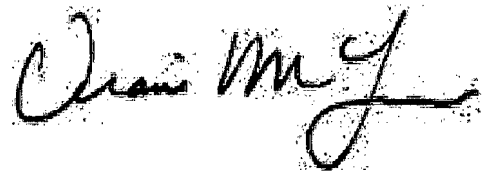
- **What revenue is being changed and why?**
- **What budgets are increased/decreased?**
- **What do the changes accomplish?**
- **Do any personnel actions result from this budget modification? Explain.**
- **Is the revenue one-time-only in nature?**
- **If a grant, what period does the grant cover?**
- **When the grant expires, what are funding plans?**

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

4. **Explain any legal and/or policy issues**. Meets the County's legal requirements and is consistent with County policies

5. **Explain any citizen and/or other government participation that has or will take place**. None.

Required Signatures:



Department/Agency Director: **Date: 10/16/03**

Budget Analyst

By: **Date:**

Dept/Countywide HR

By: **Date:**

MULTNOMAH COUNTY CONTRACT APPROVAL FORM

Contract #: 0410542

Pre-approved Contract Boilerplate (with County Attorney signature) ☐Attached ☐Not Attached Amendment #:

CLASS I	CLASS II	CLASS III A
Contracts $75,000 and less per 12 month period	Contracts over $75,000 per 12 month period	☐ Government Contracts (190 Agreement)
☐ Professional Services Contracts ☐ PCRB Contracts ☐ Maintenance Agreements ☐ Licensing Agreements ☐ Public Works Construction Contracts ☐ Architectural & Engineering Contracts ☐ Revenue Contracts ☐ Grant Contracts ☐ Non-Expenditure Contracts	☐ Professional Services Contracts ☐ PCRB Contracts ☐ Maintenance Agreements ☐ Licensing Agreements ☐ Public Works Construction Contracts ☐ Architectural & Engineering Contracts ☐ Revenue Contracts ☐ Grant Contracts ☐ Non-Expenditure Contracts	☐ Expenditure ☐ Non-Expenditure ☐ Revenue **CLASS III B** ☒ Government Contracts (Non-190 Agreement) ☒ Expenditure ☐ Non-Expenditure ☐ Revenue ☐ Interdepartmental Contracts

Department: Finance Budget and Tax Division: Tax Date: October 16, 200
Originator: Theresa Sullivan Phone: (503) 988-3635 Bldg/Rm: 501/4th floor
Contact: Dave Boyer Phone: (503) 988-3903 Bldg/Rm: 501/4th floor
Description of Contract:

RENEWAL: ☐ PREVIOUS CONTRACT #(S): None
RFP/BID: RFP/BID DATE: N/A
EXEMPTION #: ORS/AR #:
Effective DATE: EXPIRATION DATE:
CONTRACTOR IS: ☐ MBE ☐ WBE ☐ ESB ☐ QRF State Cert# or ☐ Self Cert ☐ Non-Profit ☒ N/A *(Check all boxes that apply)*

Contractor Address: Portland Public School District No. 1 J
City/State: Portland, Oregon
ZIP Code:
Phone: (503) 916-3218
Employer ID# or SS#:
Contract Effective Date: July 1, 2003 Term 6/30/06
Amendment Effect Date: New Term Date

Remittance address *(If different)*:

Payment Schedule / Terms
☐ Lump Sum $ ☐ Due on Receipt
☐ Monthly $ ☐ Net 30
☒ Other $ ☐ Other

Original Contract Amount	$160,000,000
Total Amt of Previous Amendments	$
Amount of Amendment	$
Total Amount of Agreement $	$160,000,000

☐ Requirements Funding Info:

Original Requirements Amount	$
Total Amt of Previous Amendments	$
Requirements Amount Amendment:	$
Total Amount of Requirements	$

REQUIRED SIGNATURES:

Department Manager		DATE 10/8/03
Purchasing Manager		DATE
County Attorney		DATE 10/8/03
County Chair		DATE 10·30·03
Sheriff		DATE
Contract Administration		DATE

COMMENTS:

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-12 DATE 10·30·03
DEBORAH L. BOGSTAD, BOARD CLERK

Multnomah County, Oregon
School District No. 1J, Multnomah County, Oregon

Multnomah County Personal Income Tax
Intergovernmental Agreement

THIS AGREEMENT entered into by and between Multnomah County, Oregon, hereinafter "County", and School District No. 1J, Multnomah County, Oregon hereinafter "School District", and is dated_____2003.

WITNESSETH, the parties hereto recite the following reasons for entering into this agreement:

A. On March 13, 2003, the Multnomah County Board of Commissioners passed Resolution 03-037 resolving, in part, to refer a Measure to the voters to impose a personal income tax.

B. On May 20, 2003, the voters of the County passed a temporary three-year personal income tax, Measure 26-48 "Measure," that will provide an estimated $128,000,000 to $135,000,000 each fiscal year in funding for County School Districts, County Programs, Auditing and Collection Costs.

C. The personal income tax rate is 1.25% on Oregon taxable income after deducting for either single exemptions of $2,500 or joint exemptions of $5,000 and is levied on County residents.

D. The personal income tax is effective January 1, 2003 and terminates December 31, 2005, and will fund School programs for fiscal years, 2003/2004, 2004/2005 and 2005/2006.

E. The personal income tax is due on April 15 beginning in year 2004 and ending in year 2006.

F. County Personal Income Tax Administrative Rules allow employers the option to deduct personal income tax withholdings from the paychecks of County residents.

G. County Personal Income Tax Administrative Rules allow for estimated quarterly payments to be made by County residents.

H. It is expected that the majority of the tax receipts will be received by the County in April, May and June of each year.

I. The Measure creates a School Efficiency and Quality Advisory Council ("the Advisory Council") that includes parents, educators, taxpayers, and business, labor, and government leaders to review expenditures by county school districts of funds generated by the Measure and to oversee the new local revenues for the benefit of students.

J. The School District's governing body has statutory authority under ORS 332.072 through 332.111 to administer the instructional and financial programs of the School District. Nothing in this agreement is intended to abrogate this statutory responsibility.

K. The School District, Portland Association of Teachers, City of Portland, and the County have established a Health Benefits/Compensation Committee (the "Advisory Committee") to make findings and recommendations for the creation of a balanced and competitive compensation package that reduces costs of benefits and increases teacher salaries.

L. The School District, Portland Association of Teachers, City of Portland and the County have established an Article X Committee to discuss issues related to Hiring, Assignment and Transfer.

M. The Measure provides that independent performance audits will be conducted on funds generated by the measure.

NOW THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. The County has used its best judgment in estimating the amounts that will be available for distribution to the School District.

2. Funds from the personal income tax will be distributed to the School District and the County based on the following table. The distribution split will be reviewed and may be changed based on the outcome of a referendum to rescind the State tax surcharge as it impacts State school funding. The funding level below is considered the base funding level and that the base funding will be increased in FY 2004/2005 and 2005/2006 by the Portland Consumer Price Index for All Urban Consumers (CPI-U) as of February of each year.

	Amount		Percent of Total
County Schools	$93,327,900		70.5%
County Programs	$32,000,000		24.2%
Administration	$7,008,510		5.3%
Total	$132,336,410		100.0%

3. Funds from the personal income tax will be distributed to School District based on the state school funding, per pupil (ADMw), distribution model. The 2003/2004 distribution is based on $618 per ADMw. The distribution formula will be reviewed and may be changed for subsequent fiscal years.

4. The County shall apportion to the School District an aggregate amount of 34.560% of the net personal income tax cash receipts received. The apportionment and distribution to the School District is based on the table below:

	ADMw	Estimated Amount to be Apportioned	Percent of Distribution
Centennial	7,402	$4,574,436	4.323%
Corbett	720	$444,960	.420%
David Douglas	10,976	$6,783,168	6.410%
Gresham-Barlow	12,427	$7,679,886	7.257%
Parkrose	4,376	$2,704,368	2.556%
Portland Public	59,178	$ 36,572,003	34.560%
Reynolds	12,357	$7,636,626	7.217%
Victory Middle School	137	$84,666	.080%
Riverdale School District 51J	538	$332,484	.314%
County Programs	N/A	$32,000,000	30.240%
Collection & Auditing Costs	N/A	7,008,510	6.623%
Total	**108,111**	**$105,821,107**	**100.000%**

5. The table in Section 4 above may be adjusted each fiscal year based on the state school funding levels, change in ADMw, actual tax collections, either negative or positive, and amounts held in reserve, if any.

6. HB 5077 appropriates $5.2 billion in state resources to the Department of Education for the 2003/2005 biennium State School Fund. An additional $100 million may be allocated in 2004/2005 if certain state General Fund and lottery revenue targets are met. The bill reduces the 2004/2005 State School Fund appropriation by $285 million if the graduated income tax assessment component of the legislature's revenue package (HB2152) is referred by petition to voters and rejected. It reduces the 2004/2005 appropriation by $414 million if the entire revenue package is referred and rejected. If HB 5077 or any component of HB 5077 is rejected by the voters, the School District agrees to work with the County to ensure that enough funds are placed in reserve to provide for the services outlined in Section 15 below in the second year of the biennium. It is the intent of this agreement that the School District will receive the three-year aggregate total of the Base Funding reduced by any State appropriation to the Department of Education that exceeds $4.8 billion in each of the three fiscal years.

7. The County shall distribute funds to the School District as follows:

    a. Distributions of all funds received shall be made by the 5th business day of the month following the County's receipt of cash payments of personal income tax revenue in accordance with the distribution formula in Section 4 and commencing no later than January 8, 2004.

    b. No apportionments or distributions shall be made in any fiscal year until the County receives payments of the personal income tax revenues.

    c. With each payment made to the School District, the County shall provide information including the gross amount collected and the total amount distributed to the School District to date for the fiscal year.

8. If in any fiscal year the actual personal income tax collections do not meet the estimated apportioned amount, or the County reduces the amount of tax collected as set forth in Section 11 below, the School District's apportionment will be reduced in the proportions set forth in Section 4 above and the County is not responsible for making up the difference between the estimated apportioned amount and the actual collections.

9. The County agrees to make reasonable efforts and use best practices in the collection and enforcement of the tax. The County retains the right to provide for amnesty programs or other collection enforcement decisions.

10. If in any fiscal year the actual personal income tax collections exceed the estimated apportioned amount, the County may do any of the following to meet the intent of the Measure:

    a. Place the excess collections in a reserve fund to be distributed to the School District in subsequent years when collections do not meet the estimated apportionment.

    b. Reduce the personal income tax rate to reduce collections in subsequent years.

    c. Rebate excess collections to tax payers.

d. Distribute all or part of the excess collections in accordance with Section 4.

e. Implement a combination of a, b, or c above.

11. If the State school funding received by the School District is in excess of the amounts underlying the computation of the tax, the County may do one of the following to meet the intent of the Measure:

    a. Place excess County collections in a reserve fund to be distributed to the School District or County programs, in accordance with the distribution formula in Section 4 above, in the event the State reduces the School funding allocation or funding of County programs in the current or subsequent years.

    b. Increase or decrease the personal income tax rate to adjust for any funding changes made by the State.

    c. Refund excess collections to tax payers.

    d. Implement a combination of a, b, or c above.

12. At the end of fiscal year 2005/2006, the County shall retain sufficient tax collection monies to pay for refunds, pay administrative costs or pay for other costs associated with closing the tax out in fiscal year 2006/2007. The County will provide the School District with a complete annual accounting of the administrative expenses and the close out costs.

13. If at the end of fiscal year 2006/2007 there remains a balance, after all close out expenses are made, the County may rebate the balance to taxpayers or distribute the apportioned share of the balance to the School District.

14. The School District is responsible for obtaining any short-term cash flow funding needs and the County is not responsible for prepaying any of the personal income tax or for assisting the School District in obtaining cash flow Tax Revenue Anticipation Notes.

15. The School District agrees to use the funds for the following services:

    a. To maintain or improve student-teacher ratios.

    b. To maintain instructional days to help ensure a full, 180-day school year.

    c. To fund programs and services that prepare students for college and the workforce.

    d. To communicate with citizens about achievement and accounting for the use of these tax dollars.

16. The School District will continue to apply resource management, cost containment, and organizational structure responsibly to ensure that every tax dollar, whether raised locally or received from the State, is used most effectively to provide a high quality educational experience to all students.

17. The School District agrees to provide the Advisory Council, in a common format acceptable to the Advisory Council and agreed upon by all school districts, a reasonably detailed plan based on the Adopted Budget of how it will expend its allocation of the tax to ensure the services in Paragraph 15 above are met. The plan will be submitted no later than December 31st of each year.

18. The Advisory Council may review expenditures. The School District agrees to provide a reasonably detailed accounting of the expenditures of these local income tax revenues based on the audited financial statements published in its Comprehensive Annual Financial Report to the Advisory Council no later than December 31st of each year.

19. The following items produced in Sections 16 and 17 will be provided to the County by the dates listed below:

    December 31, 2003 - plan for 2003/04 school year

    December 31, 2004 - accounting for 2003/04 school year and plan for 2004/05 school year

    December 31, 2005 - accounting for 2004/05 school year and plan for 2005/06 school year

    December 31, 2006 - accounting for 2005/06 school year

20. The School District agrees that performance audits may be conducted jointly by the City Auditor and the County Auditor in order to identify potential cost-savings through more efficient use of resources, opportunities to improve school effectiveness, and capacity-building for increased accountability. The City Auditor and County Auditor will work with the School District to define the scope and design of the performance audits. The auditors will provide an opportunity for the School District to respond to the audit report before delivering the report directly to the Board of Education. The City and County Auditors will then provide the Audit reports to the Advisory Council, the City Council , the Board of County Commissioners and the general public. The School District shall cooperate with the auditors and will provide documents and data reasonably requested by the auditors.

21. The School District and County agree to work together in and with the Health Benefits/Compensation Advisory Committee to make findings and recommendations for the creation of a balanced and competitive compensation package that reduces cost of benefits and increases teacher salaries in the District. The District will use its best efforts to accomplish that goal while at the same time keeping its focus on improving student achievement.

22. The School District and County agree to work together in and with the Article X committee to discuss issues related to Hiring, Assignment and Transfer.

23. In the event that the Multnomah County Board of Commissioners determines that funds provided to the School District have not been used as specified in paragraph 15 above or that the School District has not complied with any of the terms of this agreement, the County may suspend or terminate additional allocations to the School District. Prior to suspending or terminating the distribution of funds, the County will provide written notice to the School District detailing the non compliance and the School District has 30 days to correct the non

compliance by restoring the tax funds with other School District funds or satisfactorily explaining the expenditure to the Board of County Commissioners.

24. This agreement shall take effect upon execution by the parties' duly authorized representatives. This agreement shall be in effect from July 1, 2003 through June 30, 2006 unless one of the following provisions applies:

    a. If the County's personal income tax is repealed, this agreement shall automatically terminate as of the effective date of the repeal.

    b. The County personal income tax expires and all collections have been distributed.

25. The parties shall comply with all applicable laws in connection with this agreement.

26. No party may assign its rights or obligations under this agreement. No such assignment may affect any rights of the School District without their written concurrence.

27. This agreement may be amended only upon the written concurrence of both parties.

IN WITNESS WHEREOF, the authorized representatives of the County and School District, as parties hereto, acting pursuant to the authority granted to them,

HEREBY AGREED:

MULTNOMAH COUNTY

By_____
Multnomah County Chair

Date signed: 10·30·03

By_____
Superintendent

Date signed:_____

By_____
Chair, Board of Education

Reviewed by:

_____
Agnes Sowle, County Attorney

Reviewed by:

_____
Attorney for
School District No. 1J, Multnomah County, Oregon

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-12 DATE 10·30·03
DEBORAH L. BOGSTAD, BOARD CLERK

AGENDA PLACEMENT REQUEST

BUD MOD #:

Board Clerk Use Only:

Meeting Date: October 30, 2003
Agenda Item #: R-13
Est. Start Time: 11:45 AM
Date Submitted: 10/20/03

Requested Date: 10/30/03 **Time Requested:** 5 minutes

Department: Health **Division:** Director's Office

Contact/s: Dave Houghton, M.P.H., Gary Oxman, M.D., M.P.H.

Phone: 503-988-3400 **Ext.:** 22640 **I/O Address:** 106/14

Presenters: Gary Oxman, M.D., M.P.H.

Agenda Title: NOTICE OF INTENT to Apply for Grant Funding from the National Association of County and City Health Officials to Enhance the Region's Bioterrorism Preparedness through the Establishment of an "Advanced Practice Center" within the Department

NOTE: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide clearly written title.

---

1. **What action are you requesting from the Board? What is the department/agency recommendation?**

   It is the recommendation of the Health Department that the Board authorize the Director to apply grant funding from the National Association of City and County Health Officials' "Linking Advanced Practice Centers and Local Public Health Agencies" grant program.

2. **Please provide sufficient background information for the Board and the public to understand this issue.**

→ **NOTE: An exception to the Agenda Review Team's three week review period is requested in order to meet the October 31 deadline for this grant application.**

The proposed grant funding would enable the Health Department to become an "Advanced Practice Center" for bioterrorism (BT) preparedness. The grantor's intent is to build on effective and innovative BT preparedness work currently being done on the local level, and to disseminate this work to other local health departments. If funded, the department would: 1) improve our community's BT and general emergency

preparedness infrastructure, and 2) share these best practices with broader US public health community (e.g., through peer support to other health departments, publications, and other educational activities). Grant-supported activities would focus on 1) developing and implementing emergency response approaches and refining them into best practices, 2) building working relationships with community partners, and 3) providing training and consultation locally and regionally.

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

This program will provide up to $600,000 in funding for a period of one year. No local match is required. Future years funding will depend on a combination of factors, including the availability of funding and project success.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

If a budget modification, explain:

- **What revenue is being changed and why?**
- **What budgets are increased/decreased?**
- **What do the changes accomplish?**
- **Do any personnel actions result from this budget modification? Explain.**
- **Is the revenue one-time-only in nature?**
- **If a grant, what period does the grant cover?**
- **When the grant expires, what are funding plans?**

NOTE: Attach Bud Mod spreadsheet (FORM FROM BUDGET)

If a contingency request, explain:

- **Why was the expenditure not included in the annual budget process?**
- **What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?**
- **Why are no other department/agency fund sources available?**
- **Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account.**
- **Has this request been made before? When? What was the outcome?**

If grant application/notice of intent, explain:

- **Who is the granting agency?**
  National Association of County and City Health Officials.

- **Specify grant requirements and goals.**
  Grantees are required to establish a plan that responds to three of six categories of interest, including:

  - Partnership and collaboration building;
  - Prepardness planning and readiness assessment;
  - Workforce development and training;
  - Disease detection and investigation;
  - Risk assessment and public education; and
  - Integrated communications and information systems

- **Explain grant funding detail – is this a one time only or long term commitment?**
  This is a one-time commitment. However, additional funding may become available as a result of this work.

- **What are the estimated filing timelines?**
  The application is due on October 31, 2003.

- **If a grant, what period does the grant cover?**
  The project will cover a period of one year beginning December 2003. As noted above, subsequent funding may be made available depending on future appropriations and project success.

- **When the grant expires, what are funding plans?**
  The intent of the project is to build the capacity within the Health Department's bioterrorism infrastructure through training, partnerships, and other strategies that would minimize minimize future costs.

- **How will the county indirect and departmental overhead costs be covered?**
  Indirect can be charged as a grant expense.

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

No obvious legal or policy issues related to the proposed grant program have been identified. However, such issues will be addressed as a component of the project.

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

The proposed project will focus on collaboration among regional agencies that are charged with addressing bioterrorism threats. Examples of community partners, include:

- Portland State and Oregon Health Sciences universities
- Multnomah County Sheriff's Office
- Multnomah County Office of Emergency Management
- Clackamas and Washington County Health Departments
- Portland Police Bureau
- Portland Fire Bureau
- Area hospitals and health systems
- Private health care providers

Required Signatures:

Department/Agency Director: Lillian Shirley **Date: 10/17/03**

Budget Analyst

By: _____ **Date: 10/20/03**