

**BEFORE THE BOARD OF COUNTY COMMISSIONERS**  
**FOR MULTNOMAH COUNTY, OREGON**

In the Matter of an Intergovern-	)	
mental Agreement with the Portland	)	<b>R E S O L U T I O N</b>
School District and the City of	)	<b>93-119</b>
Portland Designating PILOT Fund	)	
Use and Transferring Title to	)	
Kennedy School	)	

WHEREAS Multnomah County is presently entitled to receive a portion of payments in lieu of taxes (PILOT) made by the Housing Authority of Portland; and

WHEREAS the Portland School District has agreed to forego its right to receive PILOT funds for up to ten years; and

WHEREAS the City of Portland is expected to agree to forego its right to receive its share of PILOT funds; and

WHEREAS the Housing and Community Development Commission (HCDC) is a county-wide cooperative organization, with representation from the County, City of Portland and City of Gresham, concentrating on the development of low income housing and implementing the goals of the County-wide Housing Affordability Strategy (CHAS); and

WHEREAS the HCDC would receive over one million dollars toward implementation of CHAS during the course of the PILOT agreement; and

WHEREAS the PILOT agreement would provide for the development of the Kennedy School site; and

WHEREAS the PILOT agreement would provide for the development of the building and campus at Jefferson High School; and

WHEREAS the PILOT agreement would provide funding to develop a social service siting policy to assist the County in equitably siting social services throughout the County; and

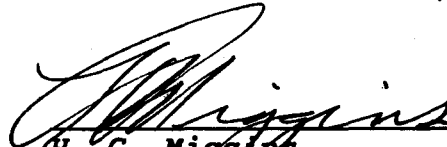
WHEREAS the PILOT agreement provides for a unique opportunity to cooperate with other jurisdictions to stabilize and assist in the development of housing, social services and related projects; now therefore

IT IS HEREBY RESOLVED that the Multnomah County Board of Commissioners intend to enter into an Intergovernmental Agreement with the Portland School District and the City of Portland providing for (a) the City of Portland and Multnomah County to forego their rights to PILOT funds for not more than ten years; (b) the Portland School District to forego its right to receive PILOT funds for a period of not more than ten years; (c) the payment to the Portland School District of \$650,000 in installments; (d) a transfer of Kennedy School to the City of Portland. The form of the proposed Agreement is attached as Exhibit A.

DATED this 22nd day of April, 1993.



BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

  
H. C. Miggins  
Acting Chair

REVIEWED:

LAURENCE KRESSEL  
MULTNOMAH COUNTY COUNSEL

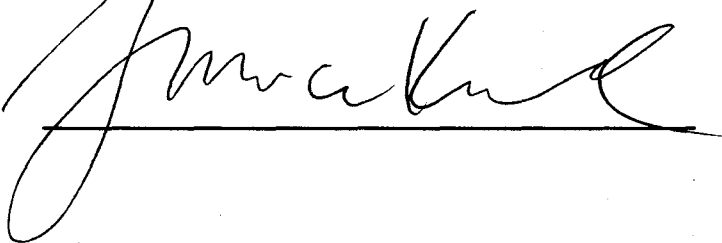


EXHIBIT A  
INTERGOVERNMENTAL AGREEMENT

BETWEEN

THE CITY OF PORTLAND, MULTNOMAH COUNTY AND PORTLAND SCHOOL  
DISTRICT NO. 1

I. RECITALS

- A. The City of Portland (City), Multnomah County (County), and Portland School District No. 1 (District) share a common interest in improving the educational environment for children within Multnomah County and the City of Portland. This interest has resulted in joint funding of collaborative projects, including more than \$1 million budgeted by the City of Portland for FY 1992-93 to fund projects benefitting students of the District.
- B. The Housing Authority of Portland (HAP), as permitted in Federal and State statutes, has entered into a Cooperative Agreement with the City which enables HAP to make payments in lieu of taxes (PILOT) to local taxing jurisdictions.
- C. The primary recipients of PILOT funds from HAP are the City, the County and the District. The City, the County and the District have received approximately 90% of the PILOT payments from HAP.
- D. A constitutional limit on property taxes imposed as a result of Ballot Measure 5 will decrease the share of PILOT receipts for the District and increase the amounts to be received by the City and County.
- E. HAP allocates funds to make PILOT disbursements from a portion of the rents collected from the tenants of specific HAP-owned properties. These rents are directly subsidized by the Department of Housing and Urban Development (HUD).
- F. Recent directives from HUD encourages HAP to decrease the number of directly-subsidized properties owned by HAP. Such a decrease in HAP-owned properties will result in a reduction of PILOT receipts by the City, the County and the District.
- G. Pending a decision by the City, the County and the District regarding the distribution of PILOT funds, HAP has accumulated a balance of \$1,170,000 in PILOT funds which are available to be disbursed.
- H. A fixed-term agreement has been reached by the City, the County and the District concerning distribution of PILOT funds in a manner that each expects to benefit students of the District by improving educational facilities, affordable housing, and community services within the City and the County.

- I. The agreement between the City, the County and the District involves, in part, the transfer of Kennedy School from the District to the City.
- J. The Concordia Neighborhood Association has expressed strong interest in participating in an achievable development plan for the Kennedy School site.

## II. MUTUAL AGREEMENTS

In consideration and recognition of their common interests, the projected reductions in PILOT funds, the changes in the PILOT distribution formula resulting from Ballot Measure 5, the funds projected in the FY 1992-93 budgets of the City and the County to benefit students of the District and the intent of the City and the County to continue such funding into the future, the undersigned mutually agree as follows:

### A. Right to Future PILOT Receipts

1. Suspension of Right to Receipts. For a period of not less than 10 years each party agrees to suspend and waive any right to retain PILOT funds disbursements. During this suspension period each party shall assign its allotment of PILOT funds to the Multnomah County/City of Portland Housing and Community Development Commission (HCDC) and the parties agree that HAP shall transfer the parties' assigned shares of PILOT funds to the City in the City's capacity as administrative manager of HCDC. The assigned funds shall be used in accordance with the terms of this agreement.
2. Restriction of PILOT Fund Uses. During the term of this Agreement, each party agrees that uses of PILOT funds, except as provided in Section II.B. herein, will be restricted to those housing and housing-related activities recommended by the HCDC and approved by both the City and the County.

### B. Distribution of Current PILOT Funds Balance

1. Management of Balance by City. Each party agrees to waive any right to retain current PILOT funds disbursements. Each party agrees to assign its allotment of current PILOT funds to HCDC. The parties agree that HAP shall transfer the parties' assigned shares of PILOT funds to the City in the City's capacity as administrative manager of HCDC. The City, as administrative manager of the HCDC, will receive and disburse the PILOT funds currently held by HAP. Disbursement shall be as herein provided in Section II.B.2. below.
2. Approved Disbursement. The following disbursements will be made by the City:

- a. A maximum of \$100,000 to the City to conduct a social services siting policy study.
- b. A maximum of \$20,000 to the City to reimburse the City for costs associated with vacating a portion of North Commercial Street and relocating fire suppression lines in conjunction with development at Jefferson High School.
- c. A maximum of \$150,000 to the City for producing an achievable development plan for the reuse of the Kennedy School property, to provide interim maintenance and security, and to pay for other pre-development costs associated with the reuse of the property.
- d. An amount of \$450,000 now and \$50,000 each year for the next four years thereafter to the District.
- e. Funds remaining after providing for items II.B.2. a-d above will be disbursed for housing and housing-related activities in a manner to be determined by the HCDC and approved by the City and County.

C. Disposition of Historic Artworks and Architectural Components

All works of art and substantial architectural components removed from the Kennedy School building by the District for safekeeping (including the Lucca Della Robbia castings) will be made available to the City for use in any redevelopment of the historic Kennedy School building.

- D. To the extent permissible under applicable law, the redevelopment of the Kennedy School property shall be managed in furtherance of City and County policies and goals for female and minority business enterprise contracting, sub-contracting and employment, including, as applicable, the City's First Source Hiring policy.

III. SPECIFIC PROMISES

In consideration of their mutual promises as provided herein, each of the undersigned agrees as follows:

A. Portland Public School District No. 1 agrees to:

- 1. Deed Kennedy School to the City.

B. Multnomah County agrees to:

- 1. Fulfill its obligation to appoint members to, and participate with, the HCDC.

2. Participate with the City, the Concordia Neighborhood Association, and other interested parties in development plans for the Kennedy School site.

C. City of Portland agrees to:

1. Accept the deed for Kennedy School from the District.
2. Administer, as provided herein, current and future PILOT funds disbursed from HAP.
3. Conduct a social service siting policy study.
4. Support, to the limits of its authority, the vacation of a portion of North Commercial Street.
5. Fulfill its obligation to appoint members to, and participate with, the HCDC.
6. Work with the Concordia Neighborhood Association and other interested parties to prepare a development plan for Kennedy School.
7. Perform on-going maintenance of the building and grounds.

IV. GENERAL PROVISIONS

A. Assignment

No party shall assign this Agreement, in whole or in part, or any right or obligation hereunder.

B. Severability

If any provision of this Agreement is found to be illegal or unenforceable, this Agreement shall nevertheless remain in full force and effect and the provision shall be stricken.

C. Integration

This Agreement contains the entire agreement among the parties and supersedes all prior written or oral discussions or agreements.

D. Non-Waiver

The parties shall not be deemed to have waived any breach of this Agreement by the other party except by an express waiver in writing. An express written waiver as to one breach shall not be deemed a waiver of any other breach not expressly identified, even though the other breach is

of the same nature as that waived.

E. Remedies

If any party to this Agreement shall fail or refuse to carry out any provision of this Agreement, the other parties shall be entitled to such remedy or remedies for breach of contract as may be available under applicable law including, without limitation, the remedy of specific performance.

F. Changes

The parties may, from time to time, request changes in the scope of the services or terms and conditions hereunder. Such changes, shall be incorporated in written amendments to this Agreement.

V. TERM

The term of this Agreement shall be effective as of May 10, 1993 and shall terminate ten (10) years from the effective date.

CITY OF PORTLAND

MULTNOMAH COUNTY

\_\_\_\_\_  
Commissioner Gretchen Kafoury

\_\_\_\_\_  
Acting Chair Hank Miggins

APPROVED AS TO FORM:

REVIEWED:

\_\_\_\_\_  
Jeffrey L. Rogers, City Attorney

\_\_\_\_\_  
Laurence Kressel, County Counsel

SCHOOL DISTRICT NO. 1

\_\_\_\_\_  
Dr. Donald McElroy  
Executive Deputy Superintendent

\_\_\_\_\_  
George Collins  
Deputy Clerk

APPROVED AS TO FORM:

REVIEWED:

\_\_\_\_\_  
Don Jeffery, PPS Staff Attorney

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Harvey Barragar, Board Counsel