

Meeting Date: JUN 30 1992

Agenda No.: B-1

(Above space for Clerk's Office Use)

AGENDA PLACEMENT FORM
(For Non-Budgetary Items)

SUBJECT: Briefing

BCC Informal 6/30/92 BCC Formal _____
(date) (date)

DEPARTMENT Nondepartmental DIVISION Chair's Office

CONTACT Fred Neal TELEPHONE X3308

PERSON(S) MAKING PRESENTATION Fred Neal, Pat LaCrosse

ACTION REQUESTED:

INFORMATIONAL ONLY POLICY DIRECTION APPROVAL

ESTIMATED TIME NEEDED ON BOARD AGENDA: 30 minutes

CHECK IF YOU REQUIRE OFFICIAL WRITTEN NOTICE OF ACTION TAKEN: _____

BRIEF SUMMARY (include statement of rationale for action requested, as well as personnel and fiscal/budgetary impacts, if applicable):

PDC briefing on Urban Renewal Finance

(If space is inadequate, please use other side)

SIGNATURES:

ELECTED OFFICIAL *Meadys McCarty*
Or

DEPARTMENT MANAGER _____

(All accompanying documents must have required signatures)



MULTNOMAH COUNTY OREGON

OFFICE OF THE BOARD CLERK
SUITE 1510, PORTLAND BUILDING
1120 S.W. FIFTH AVENUE
PORTLAND, OREGON 97204

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RICK BAUMAN • DISTRICT 3 • 248-5217
SHARRON KELLEY • DISTRICT 4 • 248-5213
CLERK'S OFFICE • 248-3277 • 248-5222

AGENDA

MEETINGS OF THE MULTNOMAH COUNTY BOARD OF COMMISSIONERS FOR THE WEEK OF

June 29 - July 3, 1992

Tuesday, June 30, 1992 - 9:30 AM - Regular Meeting.Page 2
Tuesday, June 30, 1992 - 11:00 AM - Board Briefing.Page 2

AGENDA REVIEW CANCELLED

Thursday, July 2, 1992 - 9:30 AM - Regular Meeting.Page 2
Thursday, July 2, 1992 - Briefing - Immediately Following
Regular Meeting. .Page 5

FRIDAY, JULY 3, 1992 - HOLIDAY - OFFICES CLOSED

Thursday Meetings of the Multnomah County Board of Commissioners are taped and can be seen at the following times:

Thursday, 10:00 PM, Channel 11 for East and West side subscribers
Friday, 6:00 PM, Channel 22 for Paragon Cable (Multnomah East) subscribers
Saturday 12:00 PM, Channel 21 for East Portland and East County subscribers

INDIVIDUALS WITH DISABILITIES MAY CALL THE OFFICE OF THE BOARD CLERK AT 248-3277 OR 248-5222 OR MULTNOMAH COUNTY TDD PHONE 248-5040 FOR INFORMATION ON AVAILABLE SERVICES AND ACCESSIBILITY.

Tuesday, June 30, 1992 - 9:30 AM

Multnomah County Courthouse, Room 602

REGULAR MEETING

CONSENT CALENDAR

DEPARTMENT OF SOCIAL SERVICES

- C-1 Ratification of an Intergovernmental Agreement, Contract #100482, Amendment #2, between Multnomah County Developmental Disabilities Program Office and the Oregon Commission for the Blind to Increase Employment Transportation Services \$176 to Provide Service to One Client, Effective June 1 through June 30, 1992
- C-2 Ratification of an Intergovernmental Agreement, Contract #100522, Amendment #7, between Multnomah County Developmental Disabilities Program Office and the Oregon Health Sciences University Child Development Rehabilitation Center to Decrease Contract Amount (\$1,640) to Remove Services for one Client Added in Error in Amendment #6 Effective March 1 through June 30, 1992
- C-3 Ratification of an Intergovernmental Agreement, Contract #102312, Amendment #4, between Multnomah County Mental and Emotional Disabilities Program Office and the Oregon Health Sciences University to Decrease Non-Residential Adult Services by \$38,462 in State Funds Necessary to Purchase Additional Medicaid Match for FY 92
- C-4 Ratification of an Intergovernmental Agreement, Contract #103332, Amendment #1, between Multnomah County Developmental Disabilities Program Office and the Oregon Health Sciences University Children's Psychiatric Day Treatment for Early Intervention Services Increase of \$1,640 in State Funds to Provide Treatment for One Additional Child, Effective March 1 through June 30, 1992

REGULAR AGENDA

DEPARTMENT OF ENVIRONMENTAL SERVICES

- R-1 Ratification of an Intergovernmental Agreement, Contract #303132, to Formalize a Co-Application between Multnomah County Transportation Division and the City of Gresham for a National Pollutant Discharge Elimination System (NPDES) Permit within the Gresham Urban Services Boundary to Comply with EPA and Oregon DEQ Requirements

SERVICE DISTRICTS

(Recess as the Board of County Commissioners and convene as the Governing Body of the Dunthorpe-Riverdale Sanitary Service District No. 1)

- R-2 RESOLUTION in the Matter of the Adoption of the 1992-93 Budget for Dunthorpe-Riverdale Sanitary Service District No. 1, for the Fiscal Year July 1, 1992 to June 30, 1993 and Making the Appropriations Thereunder, Pursuant to ORS 294.435

(Recess as the Governing Body of the Dunthorpe-Riverdale Sanitary Service District No. 1 and convene as the Mid County Street Lighting Service District No. 14)

R-3 RESOLUTION in the Matter of the Adoption of the 1992-93 Budget for Mid County Street Lighting Service District No. 14, for the Fiscal Year July 1, 1992 to June 30, 1993 and Making the Appropriations Thereunder, Pursuant to ORS 294.435

(Recess as the Mid County Street Lighting Service District No. 14 and reconvene as the Board of County Commissioners)

NON-DEPARTMENTAL

R-4 RESOLUTION in the Matter of the Adoption of a Second 1991-92 Supplemental Budget for Multnomah County, Oregon, for the Fiscal Year July 1, 1991 to June 30, 1992, and Making the Appropriations thereunder, Pursuant to ORS 294.435

R-5 RESOLUTION in the Matter of Levying Ad Valorem Property Taxes for Multnomah County, Oregon for Fiscal Year 1992-93

R-6 RESOLUTION in the Matter of the Adoption of the 1992-93 Budget for Multnomah County, Oregon, for the Fiscal Year July 1, 1992 to June 30, 1993 and Making the Appropriations Thereunder, Pursuant to ORS 294.435

R-7 In the Matter of Approval of County Chair Appointments to the CITIZEN STEERING COMMITTEE for the CITIZEN CONVENTION Pursuant to Multnomah County Ordinance No. 714. (continued from Thursday, June 25, 1992)

MANAGEMENT SUPPORT

R-8 RESOLUTION in the Matter of Determining the Ability of County-owned Structures to Withstand Potential Seismic Activity

Tuesday, June 30, 1992 - 11:00 AM

Multnomah County Courthouse, Room 602

BOARD BRIEFING

B-1 Portland Development Commission (PDC) Urban Renewal Finance Briefing. Presented by Fred Neal and Pat LaCrosse. 11:00 AM TIME CERTAIN. 45 MINUTES REQUESTED.

Thursday, July 2, 1992 - 9:30 AM

Multnomah County Courthouse, Room 602

REGULAR MEETING

CONSENT CALENDAR

DEPARTMENT OF HEALTH

C-1 Ratification of an Intergovernmental Agreement, Contract #200952, between Multnomah County Health Department and the State Health Division to Continue to Perform the Research Components of the Outreach and AIDS Prevention Project Funded by a Grant from the national Institute of Drug Abuse (NIDA)

NON-DEPARTMENTAL

C-2 In the Matter of the Appointments of Marian C. Mayfield-Hill, term expires 6/30/94; and Yolanda Valdes-Rementeria, term expires 6/30/94; to the Metropolitan Arts Commission

C-3 In the Matter of the Appointments of James Taylor, term expires 6/30/94; Christian Scarzello, term expires 6/30/94; Derry Jackson, term expires 6/30/94; Hal Elston, term expires 6/30/94; and Tanna Reynolds, term expires 6/30/94; to the Citizen Involvement Committee

C-4 In the Matter of the Appointments of Carolyn Piper, term expires 7/94; Jerald Furgurson, term expires 7/95; and Luis Alvarez, term expires 7/93; to the Housing and Community Development Commission

REGULAR AGENDA

DEPARTMENT OF HEALTH

R-1 Second Reading and Possible Adoption of an ORDINANCE to Provide Fee Schedule Changes for the Environmental Health Section of the Department of Health [Increases License Fees for All Restaurant Categories, Tourist Accommodations, Swimming Pools and Spas and Plan Reviews of Pools, Spas and Food Service Facilities]

DEPARTMENT OF ENVIRONMENTAL SERVICES

R-2 ORDER in the Matter of the Grant of an Anchor Easement and an Underground Distribution Easement on County land at the Farm Parcel, Sections 26 and 33, T1N, R3E, W.M.. Multnomah County, Oregon

PUBLIC CONTRACT REVIEW BOARD

(Recess as the Board of County Commissioners and convene as the Public Contract Review Board)

- R-3 Ratification of an Intergovernmental Agreement to Allow Multnomah County's Contract for the Purchase of Herman Miller Furnishings to be Used by Polk County in Accordance with Bid #B43-100-6044
- R-4 ORDER in the Matter of Exempting from Public Bidding to Exceed the 20% Limitation for Contract Change Orders for the Tax Supervisor's Office Remodel
- R-5 ORDER In the Matter of Exempting the Purchase of a Fixed Wing Aircraft for the Multnomah County Sheriff's Office
- (Recess as the Public Contract Review Board and reconvene as the Board of County Commissioners)
-

Thursday, July 2, 1992

IMMEDIATELY FOLLOWING THE REGULAR MEETING

Multnomah County Courthouse, Room 602

BOARD BRIEFING

- B-2 Update Briefing on the Woodlawn Terrace Condominiums - Presented by Larry Baxter
-

PLEASE NOTE NEW OFFICE ADDRESSES:

Chair Gladys McCoy
1120 SW Fifth Avenue, Room 1410

Vice-Chair Sharron Kelley
1120 SW Fifth Avenue, Room 1500

Commissioner Pauline Anderson
1120 SW Fifth Avenue, Room 1500

Commissioner Rick Bauman
1120 SW Fifth Avenue, Room 1500

Commissioner Gary Hansen
1120 SW Fifth Avenue, Room 1500

Office of the Board Clerk
1120 SW Fifth Avenue, Room 1510

RESPONSE TO TAX INCREMENT RULING

Assumptions

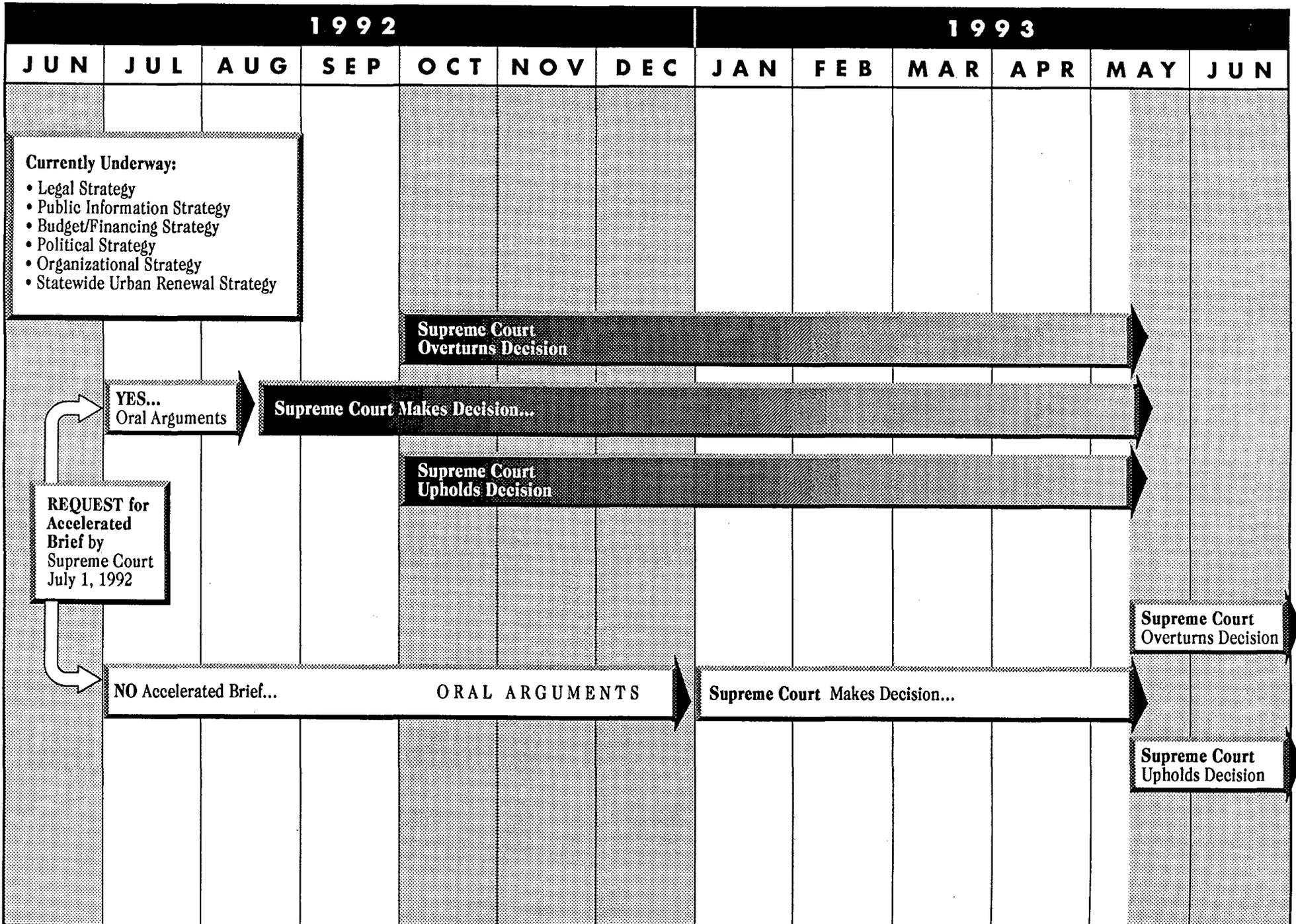
- City will meet its commitment to bond holders.
- City will appeal Tax Court Decision to Supreme Court.
- Maintain PDC structure pending resolution.
- PDC will review budget to find long-term solutions and continue with highest priority projects.
- PDC will reserve debt service for FY '92-93 and FY '93-94.

Goals

- Overturn Tax Court Decision.
- Preserve Tax Increment Financing as an affordable housing and economic development tool.
- Explore alternatives to continue programs for housing, job creation, economic development and revitalization.



Oregon Supreme Court Appeal of Tax Court Ruling



TAX INCREMENT PROJECT BUDGET ANALYSIS/SUMMARY
 FY92/93 BUDGET

REDEVELOPMENT AREA:	APPROVED FY92/93 BUDGET	PDC EXPENDITURES TO-DATE	LEVERAGED FUNDS & PROGRAM INCOME	COMMENTS
DOWNTOWN WATERFRONT				
PROPOSED BUDGET REDUCTION: (\$9,600,000)				
A = Contracts & loan/development agreements executed and underway.				
DTN Hsg. Presrv-Broadway Hotel Renovation	\$3,570,000	\$285,000	\$2,304,000	Agreement to be executed upon receipt of tax credits. Required by Development Agreement; Phase 3 Construction underway. Leverages federal and private utility funds Lease revenues offset operating costs, general repair & maint. Land Sale proceeds \$575K; fed funds \$1.4 Mill. Required by DEQ. Contracted with N. Park Blocks construction Parking revenues offset operating costs With North Terminal Project. PDOT funds to be received. Agreement with City underway; contract encumbered. Agreement w/City recently executed; Transp. verbally on hold.
Cornerstone Agreement: S. Waterft Streets	\$2,960,000	\$906,800		
North Park Blocks Renovation	\$1,315,000	\$560,000		
Transit Mall Extension/Irving Ramp	\$791,000	\$215,000	\$10,500,000	
Union Station Property Mgt	\$711,000	No net cost	\$711,000	
Tri-Met Agreement: North Terminal	\$407,000	\$50,000	\$1,975,000	
DEQ Agreement: S. Wft Remediation Plan	\$200,000	\$260,000		
N. Park Blocks-Park & 8th Street Lights	\$136,000	\$70,000		
Block 50 Property Mgt	\$118,000	No net cost	\$118,000	
Union Station Irving Street Ext.	\$75,000 *	\$20,000	\$0	
Central City Transportation Plan	\$0 *	\$172,500	\$500,000	
N. Downtown-9th Ave Street Lights	\$0 *	\$20,000	\$0	
	\$10,283,000	\$2,559,300	\$16,108,000	
B = Contracts/agreements authorized but not executed. Options executed but not exercised.				
DTN Hsg Presrv-Mod 8 Rehab-United Way Bldg	\$1,475,000			\$1.4 mill tax credits after rehab (\$3 Mill in 93/94) \$1.4 mill tax credits after rehab (\$3 Mill in 93/94) \$6 million total commitment over 6 years.
DTN Hsg Presrv-Mod 8 Rehab-Commerce Bldg	\$0 *			
City Agreement: Westside Light Rail	\$1,000,000			
	\$2,475,000	\$0	\$0	
C = Predevelopment planning and site negotiations				
Transit Mall/Burnside Intersection Impts	\$203,000	\$3,000		50% private funding match required. As required by Remediation Plan - to be prepared 92/93. Potential assistance in developing replacement housing Contribution to City and Private funding.
South Waterfront-Steamplant below grade demo	\$200,000	\$3,400,000		
Union Station Redevelopment Site Design	\$150,000			
North Downtown Facade Loans	\$115,000	\$200,000	\$115,000	
South Waterfront-Initial Remediation	\$100,000			
Hamilton Hotel Replacement Housing	\$0 *			
Waterfront Park-Children's Playground	\$0 *			
	\$768,000	\$3,603,000	\$115,000	
Projects Under \$100,000	\$369,000			
STAFF & OPERATING	\$3,160,000			
TOTAL	\$17,055,000			
		<i>Offsetting Revenues</i>		
* Proposed Additions Due to Project Approvals	\$3,785,000		\$480,000	
Waterfront Park-Children's Playground	\$60,000			Contribution to City and Private funding. Agreement with City underway; contract encumbered. Agreement with City recently executed; PDOT verbally on hold. With North Terminal Project. PDOT funds to be received. Replacement housing for Hamilton Hotel. \$1.4 mill tax credits after rehab (\$3 Mill in 93/94)
Central City Transportation Plan	\$90,000			
N. Downtown-9th Ave Street Lights	\$400,000		\$200,000	
Union Station Irving Street Ext.	\$280,000		\$280,000	
Hamilton Hotel Replacement Housing	\$1,500,000			
DTN Hsg Presrv/Mod 8 Rehab-Commerce Bldg	\$1,455,000			

TAX INCREMENT PROJECT BUDGET ANALYSIS/SUMMARY
 FY92/93 BUDGET

REDEVELOPMENT AREA:	APPROVED FY92/93 BUDGET	PDC EXPENDITURES TO-DATE	LEVERAGED FUNDS & PROGRAM INCOME	COMMENTS
SOUTH PARK BLOCKS				
PROPOSED BUDGET REDUCTION: (\$5,100,000)				
B = Contracts/agreements authorized but not executed. Options executed but not exercised.				
DT Hsg Pres Prog/Elderly-12th & Market Constru	\$4,165,000	\$66,225	\$4,400,000	Tax credits \$2.5 mill; \$1.9 mill bond financing MOU executed; PDC loan repayment begins '97. MOU executed; PDC loan repayment begins '97. Tax credits \$1
Affordable Housing-Gionet Construct.	\$4,900,000		\$4,900,000	
Low/Moderate Income Housing-St. James	\$3,400,000	\$440,000	\$4,400,000	
	<u>\$12,465,000</u>	<u>\$506,225</u>	<u>\$13,700,000</u>	
C = Predevelopment planning and site negotiations				
Rental Hsg. Pres/Rehab: Morrison Park Apts.	\$1,000,000		\$1,000,000	Tax credits (\$500K in '94 and \$500K in '95).
DT Hsg Pres Pro-Mod 8 Rehab - 1993	\$1,455,000			This project has been switched for a site in Downtown Waterfront area. Funding in the South Park Blocks can be deleted for this project.
	<u>\$2,455,000</u>	<u>\$0</u>	<u>\$1,000,000</u>	
Projects Under \$100,000.			\$85,000	
	SUBTOTAL		<u>\$15,005,000</u>	
	STAFF & OPERATING		<u>\$1,670,000</u>	
			<u>\$16,675,000</u>	
* <u>Proposed Deletion Due to Project Revision</u>				
DT Hsg Pres Pro-Mod 8 Rehab - 1993	(\$1,455,000)			

18-Jun-92

TAX INCREMENT PROJECT BUDGET ANALYSIS/SUMMARY
 FY92/93 BUDGET

REDEVELOPMENT AREA:	APPROVED FY92/93 BUDGET	PDC EXPENDITURES TO-DATE	LEVERAGED FUNDS & PROGRAM INCOME	COMMENTS
OREGON CONVENTION CENTER URBAN RENEWAL AREA PROPOSED BUDGET REDUCTION: (\$1,800,000)				
A = Contracts & loan/development agreements executed and underway.				
Oregon Arena Project Mgt	\$260,000 *	\$328,000		
C = Predevelopment planning and site negotiations				
HQ Hotel Site Control	\$350,000		\$1,600,000	
HQ Hotel - Relocation	\$200,000			
	<u>\$550,000</u>		<u>\$1,600,000</u>	
Projects Under \$100,000.				
	<u>\$185,000</u>			
SUBTOTAL	<u>\$995,000</u>			
STAFF & OPERATING	<u>\$837,000</u>			
	<u>\$1,832,000</u>			

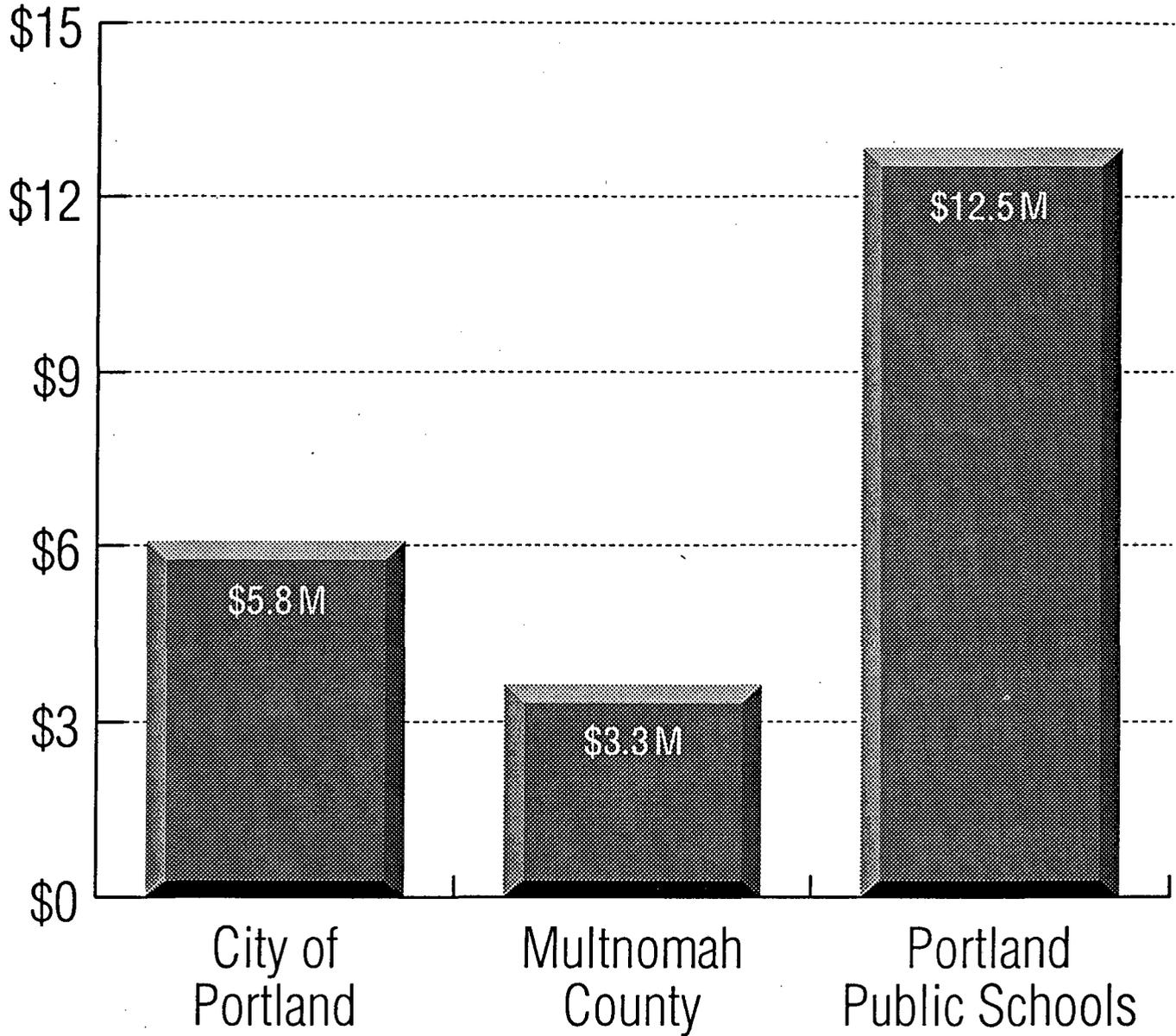
* Proposed Additions Due to Recent Approvals and \$190,000

Oregon Arena Project: \$260,000 budgeted in FY92/93; \$450,000 now estimated.

Property Tax Revenues Generated by Current Urban Renewal Districts

1991-92

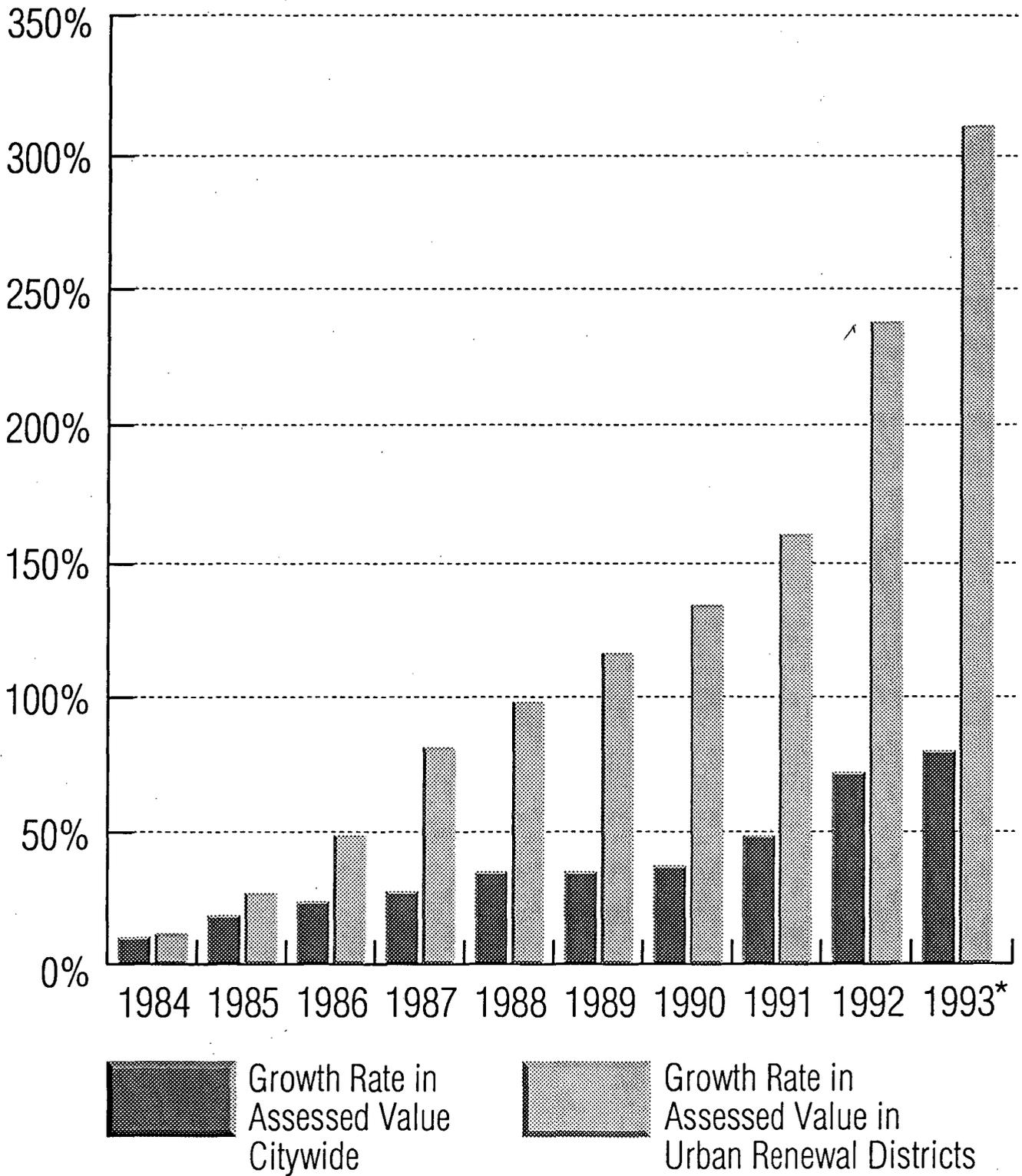
Millions



Comparison of Assessed Value Growth Rates Citywide vs. Urban Renewal Districts

Percent Change
Since 1983

1984-93



*1993 Estimate

The Oregonian

Founded Dec. 4, 1850. Established as a daily Feb. 4, 1861. The Sunday Oregonian established Dec. 4, 1881. Published daily and Sunday by the Oregonian Publishing Co., 1320 S.W. Broadway, Portland, Oregon 97201

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WEDNESDAY, MAY 20, 1992

Another Measure 5 hit

*Tax Court ruling may blunt
a major jobs, livability, economic-development tool*

If the Oregon Supreme Court upholds the state Tax Court's ruling Monday that urban-renewal bonds fall under the Measure 5 property-tax limit, taxpayers will have lost one of their primary tools for attracting new investment and reversing blight.

The ruling might cause property taxes to dip slightly for some people, but only a few dollars and only in the short run. For what tax-increment funding for urban renewal does is pay the way for private investors to add value to the tax base — and taxpayers benefit from that added value in the long run.

The tax-increment bonds that lured Wacker Siltronic Corp. to Portland are a classic example. The Northwest Portland property's assessed value in 1978 was \$32 million, which generated property taxes of \$165,000 for school, city, county and other public services. The value has grown to \$132 million, generating \$3.1 million in property taxes yearly — 19 times the 1978 amount.

The firm also employs more than 1,000 workers — jobs directly attributable to tax-increment investment.

The Tax Court's ruling effectively overturned both a lengthy state attorney general's opinion and legislative intent that urban-renewal bonds would be exempt from the property-tax limit approved by voters in 1990. If the ruling is upheld on appeal, urban-renewal bonds would have to compete with police, fire protection and other services for money available under the \$10 property-tax limit for local governments.

Clearly the economic-development program would lose in such competition. In Portland, for example, public safety is the highest priority.

Portland has a lot at stake in maintaining this enormously successful renewal tool. Besides Wacker, other successes include Pioneer Place, the

downtown shopping magnet, and RiverPlace, the esplanade lined by a marina, shops and residences. The tax-increment mechanism also contributed to Portland's housing goals — new residential buildings in the South Park Blocks, rehabilitated housing in Old Town and home rehabilitation and loan programs in North/Northeast Portland.

Under way are the Columbia River South Shore project, projected to provide 20,000 new jobs for the region, and redevelopment around the Oregon Convention Center and new Trail Blazer arena. In the offing are extension of the convention-center urban-renewal district to Martin Luther King Boulevard and development of 32 acres the city purchased surrounding Union Station.

This year, the Portland Development Commission's payment on \$90.1 million in urban-renewal bonds amounts to about \$9 million, or 66 cents per \$1,000 property value. It was 91 cents per \$1,000 last year.

To keep projects going, the agency hoped to sell \$7 million in bonds in 1992-93. But the commission and City Council surely will reconsider taking on more debt until the Supreme Court rules on an appeal. One reason is that the court possibly could order some repayment to taxpayers.

The appeal and Supreme Court's opinion should be expedited. Much economic development, jobs creation, affordable housing and livability enhancement are going to be put on hold pending a decision.

Several other urban-renewal districts around the state also have investments subject to the Tax Court ruling — Astoria, Albany, The Dalles and Klamath Falls among them.

The debt must be repaid. Ideally it will be paid from taxes generated by new investment — tax-increment funds — but paid in any case; the public's credit is at stake.