

✓ ✓
PLEASE PRINT LEGIBLY!

MEETING DATE 1-23-95

NAME

MIKE LINDBERG

ADDRESS

1220 SW 5th

STREET

Portland Ore 97204

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____ **OPPOSE** _____

SUBMIT TO BOARD CLERK

Bj✓

PLEASE PRINT LEGIBLY!

MEETING DATE 1-23-95

NAME

ROYAL HAASHMAN

ADDRESS

GRESHAM CITY COUNCIL

STREET

GRESHAM OR 97030

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT

OPPOSE _____

SUBMIT TO BOARD CLERK

231

PLEASE PRINT LEGIBLY!

MEETING DATE

1-23-95

NAME

ADDRESS

STREET

CITY

ZIP CODE

I WISH TO SPEAK ON AGENDA ITEM #

Pay Back

SUPPORT

OPPOSE

SUBMIT TO BOARD CLERK

4✓

PLEASE PRINT LEGIBLY!

MEETING DATE 1-23-95

NAME EARL BLUMENAUER

ADDRESS CITY HALL

STREET

PORTLAND

CITY **ZIP**

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____ **OPPOSE** _____

SUBMIT TO BOARD CLERK

48/

PLEASE PRINT LEGIBLY!

MEETING DATE 1-23-95

NAME

Paul Thibodeau

ADDRESS

920 S.W. Cherry Br Rd
STREET

Frontsde, OR 97066
CITY **ZIP**

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____ **OPPOSE** _____

SUBMIT TO BOARD CLERK

46/

PLEASE PRINT LEGIBLY!

MEETING DATE

1/23/95

NAME

ADDRESS

Rep. Michael Fahey Sr.
5882 N. Commercial St.

STREET

Portland, OR 97217

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. 1

SUPPORT _____

OPPOSE ✓

SUBMIT TO BOARD CLERK

5/

PLEASE PRINT LEGIBLY!

MEETING DATE 1.23.95-

NAME

Bob Bernstein

ADDRESS

1730 S.E. 35 Pl.

STREET

PDX

97214

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____ **OPPOSE** _____

SUBMIT TO BOARD CLERK

6/

PLEASE PRINT LEGIBLY!

MEETING DATE 1/23/95

NAME

KARL STARKWEATHER

ADDRESS

3943 NE 82nd

STREET

portland, OR

97213

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____

OPPOSE ✓

SUBMIT TO BOARD CLERK

✓
PLEASE PRINT LEGIBLY!

MEETING DATE 1-23-95

NAME

Don Schuman

ADDRESS

17216 SE Eilers Circle

STREET

Clackamas

CITY

97015

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____ **OPPOSE** ✓

SUBMIT TO BOARD CLERK

8 ✓

PLEASE PRINT LEGIBLY!

MEETING DATE 1/23/95

NAME Bill Resnick

ADDRESS 1615 SE 35 Pl

STREET

Portland, OR 97214

CITY **ZIP**

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____ **OPPOSE** X

SUBMIT TO BOARD CLERK

9/ **PLEASE PRINT LEGIBLY!**

MEETING DATE

1/23/95

NAME

Jamie Partridge

ADDRESS

1816 SE Salmon

STREET

Portland OR 97214

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____

OPPOSE X

SUBMIT TO BOARD CLERK

10
not here
left

PLEASE PRINT LEGIBLY!

MEETING DATE 1-23-95

NAME

Maceo Pettis

ADDRESS

6936 NE 13th

STREET

Portland OR 97211

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____ **OPPOSE** X

SUBMIT TO BOARD CLERK

11/ ✓
PLEASE PRINT LEGIBLY!

MEETING DATE 1-23-95

NAME

Joseph Tam

ADDRESS

4628 SE 31st

STREET

Portland

OR

97202

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____

OPPOSE _____

SUBMIT TO BOARD CLERK

*12/28/93
Not Here
Left*

PLEASE PRINT LEGIBLY!

MEETING DATE 23 Jan 1993

NAME

Margaret BUTLER

ADDRESS

821 NE 10th Ave

STREET

Portland

OR

97213

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____

OPPOSE _____

SUBMIT TO BOARD CLERK

13/
PLEASE PRINT LEGIBLY!

MEETING DATE 1/23/95

NAME

DAVE MAZZA

ADDRESS

POB 9012

STREET

PORTLAND OR 97207

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO.

TAX
ABATEMENTS

SUPPORT

OPPOSE

SUBMIT TO BOARD CLERK

14 ✓
PLEASE PRINT LEGIBLY!

MEETING DATE JAN 23, 95

NAME

ADDRESS

Lisa D
2214 NE 23rd
Ptld one
STREET

Ptld
CITY

97212
ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____

OPPOSE X

SUBMIT TO BOARD CLERK

15/

PLEASE PRINT LEGIBLY!

MEETING DATE 1-23-95

NAME

Kyle Kajihira

ADDRESS

4054 NE Rodney

STREET

Portland, OR 97212

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____

OPPOSE _____

X

SUBMIT TO BOARD CLERK _____

16/

PLEASE PRINT LEGIBLY!

MEETING DATE 1-23-95

NAME

Suzanne Wall

ADDRESS

3723 N. Russell

STREET

Portland OR 97217

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____ **OPPOSE** X

SUBMIT TO BOARD CLERK

17/ **PLEASE PRINT LEGIBLY!**

MEETING DATE 1/23/95

NAME

Leslie Kochan

ADDRESS

822 NE Shaver St

STREET

Portland OR 97212

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____

OPPOSE ☒

SUBMIT TO BOARD CLERK

18/

PLEASE PRINT LEGIBLY!

MEETING DATE

1/23/95

NAME

Robin Bloomgarden

ADDRESS

Box 4086

STREET

Box

97208

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO.

SUPPORT

OPPOSE

SUBMIT TO BOARD CLERK

19 ✓
PLEASE PRINT LEGIBLY!

MEETING DATE 1-23-95

NAME

Barbara Meyer

ADDRESS

2537 N.W. Northrup

STREET

PDX

97210

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO.

SUPPORT

OPPOSE

X

SUBMIT TO BOARD CLERK

? Fejitzu

20✓

PLEASE PRINT LEGIBLY!

MEETING DATE 1-23-95

Lockner

NAME

Richard Lockner

ADDRESS

1216 SE 38th

STREET

Portland

CITY

OR 97214

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO.

Tex Abatement

SUPPORT

OPPOSE

X

SUBMIT TO BOARD CLERK

21/

PLEASE PRINT LEGIBLY!

MEETING DATE 1/23/95

NAME

Scott Bailey

ADDRESS

2725 NE 29th

STREET

PORTLAND OR 97212

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____ **OPPOSE** ✓

SUBMIT TO BOARD CLERK

22✓

PLEASE PRINT LEGIBLY!

MEETING DATE 1-23-95

NAME

Shirley Huftman

ADDRESS

STREET

Hillsboro

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. 1

SUPPORT

☒

OPPOSE

SUBMIT TO BOARD CLERK

23/ **PLEASE PRINT LEGIBLY!**

MEETING DATE 1/23

NAME

Wally Mehrens

ADDRESS

1501 N Hayden Island Dr

STREET

Portland, OR

CITY

97217

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT X

OPPOSE _____

SUBMIT TO BOARD CLERK

24

PLEASE PRINT LEGIBLY!

MEETING DATE

1/23

NAME

Mike Fahey

ADDRESS

2205 N Lombard

STREET

Portland, OR

CITY

97217

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT X

OPPOSE _____

SUBMIT TO BOARD CLERK

25/ **PLEASE PRINT LEGIBLY!**

MEETING DATE 1/23/95

NAME

Tasha Harmon

ADDRESS

802 SE 27th

STREET

Portland

CITY

97214

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____

OPPOSE _____

SUBMIT TO BOARD CLERK

26/ PLEASE PRINT LEGIBLY!

MEETING DATE

1/23/95

NAME

Michael Ames Connor

ADDRESS

1104 SW. Lane St.

STREET

Portland OR 97201

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT

~~with me~~

OPPOSE

~~&~~

SUBMIT TO BOARD CLERK

27✓

PLEASE PRINT LEGIBLY!

MEETING DATE 1-23-95

NAME MORTY KNITTER
ADDRESS 2835 NF 6th

STREET GREENDA 97030

CITY **ZIP**

I WISH TO SPEAK ON AGENDA ITEM NO. 519

SUPPORT X **OPPOSE**

SUBMIT TO BOARD CLERK

28
left

PLEASE PRINT LEGIBLY!

MEETING DATE 1/23/95

NAME

PAUL WARR-KING

ADDRESS

821 S.W. MILLER COURT

STREET

GRESHAM

OR

97080

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. 51P

SUPPORT



OPPOSE

SUBMIT TO BOARD CLERK

29 ✓
PLEASE PRINT LEGIBLY!

MEETING DATE 1-23-95

NAME

RON PENNINGTON

ADDRESS

16424 S.E. MAIN

STREET

PTLD

97233

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO.

51P

SUPPORT

X

OPPOSE

SUBMIT TO BOARD CLERK

39
Feb

PLEASE PRINT LEGIBLY!

MEETING DATE 1-23-95

NAME James Carile - Sept. Gresham School

ADDRESS 1331 NW Eastman Parkway

STREET

Gresham

97030

CITY

ZIP CODE

I WISH TO SPEAK ON AGENDA ITEM #

SUPPORT Policy Development OPPOSE

SUBMIT TO BOARD CLERK

31/

PLEASE PRINT LEGIBLY!

MEETING DATE

1/22/93

NAME

SPANBUEHLER

ADDRESS

STREET

CITY

ZIP CODE

I WISH TO SPEAK ON AGENDA ITEM #

8-1

SUPPORT

OPPOSE

SUBMIT TO BOARD CLERK

32✓

PLEASE PRINT LEGIBLY!

MEETING DATE 1/23/95

NAME

JERRY GILLHAM

ADDRESS

150 W. POWELL

STREET

GRESHAM,

97030

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. 51P

SUPPORT

X

OPPOSE

SUBMIT TO BOARD CLERK

33/

PLEASE PRINT LEGIBLY!

MEETING DATE

11/23/95

NAME

Michael Dillon

ADDRESS

7312 SE 14th

STREET

Portland

CITY

ZIP CODE

I WISH TO SPEAK ON AGENDA ITEM #

5 & P

SUPPORT

☒

OPPOSE

☐

SUBMIT TO BOARD CLERK

34 left
PLEASE PRINT LEGIBLY!

MEETING DATE 1-23-95

NAME

ADDRESS

MIKE MILLER

2881 S. WILKINSON CT
STREET

Graham
CITY

0 97030
ZIP

I WISH TO SPEAK ON AGENDA ITEM NO.

SUPPORT

X

5-1

OPPOSE

SUBMIT TO BOARD CLERK

NO

35 Feb

PLEASE PRINT LEGIBLY!

MEETING DATE 1-23-95

NAME

RON SAROFF

ADDRESS

3432 NE SCHUYLER ST.

STREET

PDX

CITY

97212

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____ **OPPOSE** _____

SUBMIT TO BOARD CLERK

36✓
PLEASE PRINT LEGIBLY!

MEETING DATE 1-23-95

NAME

Rob Fussell

ADDRESS

8 City of Gresham

STREET

Economic Development Manager

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____ **OPPOSE** _____

SUBMIT TO BOARD CLERK

31 ✓
PLEASE PRINT LEGIBLY!

MEETING DATE 1/23/95

NAME

ADDRESS

STREET

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____ **OPPOSE** _____

SUBMIT TO BOARD CLERK

38✓
PLEASE PRINT LEGIBLY!

MEETING DATE 1/23/95

NAME

MAY TALBOT

ADDRESS

1333 NW. Eastman Hwy
STREET

Gresham OR 97030
CITY ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. 31P
SUPPORT X **OPPOSE** _____

SUBMIT TO BOARD CLERK

39/

PLEASE PRINT LEGIBLY!

MEETING DATE 1-23-95

NAME

Randy Miller

ADDRESS

4100 Arthur Way

STREET

Portland

97221

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____

OPPOSE _____

SUBMIT TO BOARD CLERK

40
left

PLEASE PRINT LEGIBLY!

MEETING DATE 1/23/95

NAME Roger Ahlbrandt Ahlbrandt

ADDRESS 5929 NW Skyline Blvd.

STREET Portland 97229

CITY **ZIP**

I WISH TO SPEAK ON AGENDA ITEM NO. TAX Abatement

SUPPORT ✓ **OPPOSE**

SUBMIT TO BOARD CLERK

41 ✓
PLEASE PRINT LEGIBLY!

MEETING DATE

1/23/95

NAME

RANDY TUCKER

ADDRESS

1719 SE 48th AVE

STREET

PORTLAND

OR

97215

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO.

5-1

SUPPORT

OPPOSE

✓

SUBMIT TO BOARD CLERK

42/

PLEASE PRINT LEGIBLY!

MEETING DATE 1/23

NAME

JOHN CHARLES

ADDRESS

2842 SW Sam Jackson PK Rd

STREET

Pd x

97201

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____

OPPOSE _____

SUBMIT TO BOARD CLERK

43 ✓

PLEASE PRINT LEGIBLY!

MEETING DATE 1/23/95

NAME Kirk McCall

ADDRESS 6833 S.E. MAUL ST

STREET

PORTLAND

CITY

97202

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____ **OPPOSE** _____

SUBMIT TO BOARD CLERK

44 ✓

PLEASE PRINT LEGIBLY!

MEETING DATE 1-23-95

NAME

JIM WORTHINGTON

ADDRESS

3232 SE 153 RD

STREET

PORTLAND

CITY

97236

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____ **OPPOSE** _____

SUBMIT TO BOARD CLERK

45/

PLEASE PRINT LEGIBLY!

MEETING DATE 1-23-95

NAME

Robbie L. Gary

ADDRESS

2042 S.E. Tibbitts

STREET

Port

CITY

97202

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____ **OPPOSE** ☒

SUBMIT TO BOARD CLERK ☒

46 as
James Walker
P.O. left

PLEASE PRINT LEGIBLY!

MEETING DATE

1-23-95

NAME

William W. MEHRENS

ADDRESS

3535 SE 86th Ave

STREET

CITY

97266

ZIP CODE

I WISH TO SPEAK ON AGENDA ITEM #

SUPPORT

X

OPPOSE

SUBMIT TO BOARD CLERK

47/ **PLEASE PRINT LEGIBLY!**

MEETING DATE 1/23-95

NAME

Terry Butler

ADDRESS

441 NE 6th

STREET

Portland OR 97232

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO.

SUPPORT

OPPOSE ✓

SUBMIT TO BOARD CLERK

48✓

PLEASE PRINT LEGIBLY!

MEETING DATE 1/23/95

NAME BENJAMIN DAWSON

ADDRESS 3017 NE EVERETT ST #

STREET

PORTLAND OR 97232-3250

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____ **OPPOSE** ✓

SUBMIT TO BOARD CLERK

49 ✓

PLEASE PRINT LEGIBLY!

MEETING DATE 23 Jan 95

NAME

Sam Dana

ADDRESS

1020 SW Maplecrest Dr

STREET

Portland

97219

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO.

SUPPORT

OPPOSE X

SUBMIT TO BOARD CLERK

50/

PLEASE PRINT LEGIBLY!

MEETING DATE Jan. 23/95

NAME

ADDRESS

Mrs Louise Weidlich, Director
PO BOX 19224

STREET

Portland, Oregon 97219

CITY

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO. _____

SUPPORT _____

OPPOSE _____

SUBMIT TO BOARD CLERK _____

oppose

51/✓

PLEASE PRINT LEGIBLY!

MEETING DATE 1/23/95

NAME

Cathy Hight

ADDRESS

473908 SE Woodstock

STREET

Portland

CITY

97202

ZIP

I WISH TO SPEAK ON AGENDA ITEM NO.

SUPPORT **OPPOSE** X

SUBMIT TO BOARD CLERK

How about Powells
& dinner later?

this could go late, but it should be fun
It's not fun so far.

~~28150 MJI 193~~
A28150

ANNOTATED MINUTES

Monday, January 23, 1995 - 6:30 PM
Multnomah County Courthouse, Room 602
1021 SW Fourth, Portland

SPECIAL MEETING

Chair Beverly Stein convened the meeting at 6:30 p.m., with Vice-Chair Sharron Kelley, Commissioners Gary Hansen, Tanya Collier and Dan Saltzman present.

- S-1 *Public Forum on Tax Abatements with Invited Presenters Sharing Information on Tax Abatements. Presentations from: Marcy Jacobs, Regional Business Development Officer, Oregon Economic Development Department; Mark Clemons, Business Development Manager, Portland Development Commission; Barry Crook, Budget & Quality Manager, Multnomah County Budget & Quality Division; Bob Ellis, Assessor, Multnomah County Division of Assessment & Taxation; Andy Cotugno, Planning Director, Metro; and Anthony Rufolo, Professor of Urban Studies & Planning, Portland State University.*

CHAIR STEIN OUTLINED THE PROCESS FOR THIS MEETING, ADVISING THE BOARD WOULD START WITH HEARING FROM THE INVITED PRESENTERS FIRST, SETTING AN EIGHT MINUTE TIME LIMIT. FOLLOWING THE PRESENTATIONS, PUBLIC TESTIMONY WOULD BE HEARD WITH A THREE TO FIVE MINUTE TIME LIMIT.

PRESENTATIONS RECEIVED FROM BILL SCOTT AND MARCY JACOBS, OREGON ECONOMIC DEVELOPMENT DEPARTMENT; MARK CLEMONS, PORTLAND DEVELOPMENT COMMISSIONER; DAVE WARREN, MULTNOMAH COUNTY BUDGET & QUALITY DIVISION; BOB ELLIS, MULTNOMAH COUNTY DIVISION OF ASSESSMENT & TAXATION; ANDY COTUGNO, METRO; AND ANTHONY RUFOLO, PORTLAND STATE UNIVERSITY.

PUBLIC TESTIMONY RECEIVED FROM: MIKE LINDBERG, ROYAL HARSHMAN, GRETCHEN KAFOURY, EARL BLUMENAUER, PAUL THALHOFER, MIKE FAHEY, BOB BERNSTEIN, KARL STARKWEATHER, DON SCHUMAN, BILL RESNICK, JAMIE PARTRIDGE, JOSEPH TAM, DAVE MAZZA, LISA DADO, KYLE KAJIHIRO, SUZANNE WALL, LESLIE KOCHAN, ROBIN BLOOMGARDEN, BARBARA

**MEYER, RICHARD LOCHNER, SCOTT BAILEY,
SHIRLEY HUFTMAN, WALLY MEHRENS, TASHA
HARMON, MICHAEL AMES CONNOR, MONTY
KNITTEL, RON PENNINGTON, PAUL SPANBAUER,
JERRY GILLHAM, MICHAEL DILLON, ROB FUSSELL,
PATRICIA SCRUGGS, MAX TALBOT, RANDY MILLER,
RANDY TUCKER, JOHN CHARLES, KIRK McCALL, JIM
WORTHINGTON, BOBBI GARY, TERRY BUTLER,
BENJAMIN DAWSON, SAM DANA, LOUSIE WEIDLICH
AND CATHY HIGHET.**

**CHAIR STEIN EXPLAINED THAT THERE WOULD BE
ADDITIONAL BOARD MEETINGS FOR FURTHER
DISCUSSION ON TAX ABATEMENT, WITH THE NEXT
WORK SESSION SCHEDULED FOR TUESDAY,
JANUARY 31, 1995 AT 1:30 PM.**

There being no further business, the meeting was adjourned at 10:25 p.m.

**OFFICE OF THE BOARD CLERK
of MULTNOMAH COUNTY, OREGON**


Carrie A. Parkerson

*Tuesday, January 24, 1995 - 1:30 PM
Multnomah County Courthouse, Room 602
1021 SW Fourth, Portland*

PLANNING ITEMS

Chair Beverly Stein convened the meeting at 1:30 p.m., with Vice-Chair Sharron Kelley, Commissioners Gary Hansen, Tanya Collier and Dan Saltzman present.

P-1 NSA 3-94 *Review the December 21, 1994 Hearings Officer Decision, APPROVING, Subject to Conditions, for the Corbett School District #39 for Columbia River Gorge National Scenic Area Site Review to construct a new Elementary School in conjunction with the existing Corbett Middle and High School complex located in Unincorporated Multnomah County*

**DECISION READ, NO APPEAL FILED, DECISION
STANDS.**

Tuesday, January 24, 1995 - 1:35 PM
Multnomah County Courthouse, Room 602
1021 SW Fourth, Portland

BOARD BRIEFING

B-1 Update on Efforts to Co-locate Various Public Agencies, Non-profits and Affordable Housing at the Russelville Site. Presented by Mike Ragsdale. 45 MINUTES REQUESTED.

MIKE RAGSDALE, DENNIS GILMAN, VIVIAN GRUBB,
DON BALLINGER AND GRACE FITZGERALD
PRESENTATION AND RESPONSE TO BOARD
QUESTIONS.

CHAIR STEIN REQUESTED ANOTHER UPDATE IN 60
TO 90 DAYS.

There being no further business, the meeting was adjourned at 10:25 p.m.

OFFICE OF THE BOARD CLERK
of MULTNOMAH COUNTY, OREGON



Carrie A. Parkerson

Thursday, January 26, 1995 - 9:30 AM
Multnomah County Courthouse, Room 602
1021 SW Fourth, Portland

REGULAR MEETING

Chair Beverly Stein convened the meeting at 9:30 a.m., with Vice-Chair Sharron Kelley, Commissioners Gary Hansen, Tanya Collier and Dan Saltzman present.

CONSENT CALENDAR

UPON MOTION OF COMMISSIONER KELLEY,
SECONDED BY COMMISSIONER COLLIER, THE
CONSENT CALENDAR (ITEMS C-1 THROUGH C-3) WAS
UNANIMOUSLY APPROVED.

SHERIFF'S OFFICE

C-1 Malt Beverage Liquor License Renewal Application Submitted by Sheriff's Office

with Recommendation for Approval, for the BOTTOMS UP TAVERN, 16900 NW ST. HELENS ROAD, PORTLAND

- C-2 *Ratification of an Intergovernmental Agreement, Contract #800685, between the Oregon Law Enforcement Data System (LEDS) and Multnomah County Sheriff's Office for use of the State-Wide System at the Hansen Building, Effective December 1, 1994 through December 1, 1996*
- C-3 *Ratification of an Intergovernmental Agreement, Contract #800695, between the Oregon Law Enforcement Data System (LEDS) and Multnomah County Sheriff's Office for use of the State-Wide System for Jail/Warrants, Effective December 1, 1994 through December 1, 1996*

REGULAR AGENDA

PUBLIC COMMENT

- R-1 *Opportunity for Public Comment on Non-Agenda Matters. Testimony Limited to Three Minutes Per Person.*

NONE.

NON-DEPARTMENTAL

- R-2 *ORDER in the Matter of the Relinquishment of County Land Adjacent to the Juvenile Justice Center in the Northwest Quarter of Section 32, Township 1 North, Range 2 East, WM., Portland, Multnomah County, Oregon*

COMMISSIONER COLLIER MOVED AND COMMISSIONER HANSEN SECONDED, APPROVAL OF R-2. HEIDI SODERBERG AND BRIAN BAIHSON PRESENTED EXPLANATION AND RESPONSE TO BOARD QUESTIONS. ORDER 95-24 WAS UNANIMOUSLY APPROVED.

- R-3 *RESOLUTION in the Matter of Approving an Intergovernmental Agreement and Contract for the Regional Arts and Culture Council*

COMMISSIONER SALTZMAN MOVED AND COMMISSIONER KELLEY SECONDED, APPROVAL OF R-3. MEGANNE STEELE AND PAT HARRINGTON PRESENTED EXPLANATION FOR ITEMS R-3, R-4 AND R-5. ORDER 95-25 WAS UNANIMOUSLY APPROVED.

- R-4 *Ratification of an Intergovernmental Agreement, Contract #500365, between Multnomah County and the City of Portland, Clackamas County, Washington County, Metro, and Clark County, Washington for Support of the Regional Arts*

and Culture Council, Effective upon Execution by each Jurisdiction

**COMMISSIONER COLLIER MOVED AND
COMMISSIONER SALTZMAN SECONDED, APPROVAL
OF R-4. AGREEMENT WAS UNANIMOUSLY
APPROVED.**

R-5 *First Reading and Possible Adoption of an ORDINANCE Amending MCC Chapters 5.50 (Transient Lodging Tax) and 11.90 (Arts Commission) to Substitute the Regional Arts and Culture Council for the Metropolitan Arts Commission as the Recipient of Certain Funds and as Administrator of the Percent for Art Program, and Declaring an Emergency*

**PROPOSED ORDINANCE READ BY TITLE ONLY.
COPIES AVAILABLE. COMMISSIONER KELLEY
MOVED AND COMMISSIONER COLLIER SECONDED,
APPROVAL OF THE FIRST READING AND ADOPTION.
NO ONE WISHED TO TESTIFY. ORDINANCE NO. 811
WAS UNANIMOUSLY APPROVED.**

There being no further business, the meeting was adjourned at 9:48 a.m.

**OFFICE OF THE BOARD CLERK
of MULTNOMAH COUNTY, OREGON**


Carrie A. Parkerson



MULTNOMAH COUNTY OREGON

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

BOARD OF COUNTY COMMISSIONERS

BEVERLY STEIN •	CHAIR •	248-3308
DAN SALTZMAN •	DISTRICT 1 •	248-5220
GARY HANSEN •	DISTRICT 2 •	248-5219
TANYA COLLIER •	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

JANUARY 23, 1995 - JANUARY 27, 1995

Monday, January 23, 1995 - 6:30 PM - Special Meeting Page 2

Tuesday, January 24, 1995 - 1:30 PM - Planning Items Page 2

Tuesday, January 24, 1995 - 1:35 PM - Board Briefing Page 2

Thursday, January 26, 1995 - 9:30 AM - Regular Meeting Page 3

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

Thursday, 6:00 PM, Channel 30

Friday, 10:00 PM, Channel 30

Saturday, 12:30 PM, Channel 30

Sunday, 1:00 PM, Channel 30

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.

Monday, January 23, 1995 - 6:30 PM

Multnomah County Courthouse, Room 602
1021 SW Fourth, Portland

SPECIAL MEETING

- S-1 *Public Forum on Tax Abatements with Invited Presenters Sharing Information on Tax Abatements. Presentations from: Marcy Jacobs, Regional Business Development Officer, Oregon Economic Development Department; Mark Clemons, Business Development Manager, Portland Development Commission; ^{Donna Jones} ~~Barry Crook~~, Budget & Quality Manager, Multnomah County Budget & Quality Division; Bob Ellis, Assessor, Multnomah County Division of Assessment & Taxation; Andy Cotugno, Planning Director, Metro; and Anthony Rufolo, Professor of Urban Studies & Planning, Portland State University.*

PUBLIC TESTIMONY WILL FOLLOW PRESENTATIONS.

Tuesday, January 24, 1995 - 1:30 PM

Multnomah County Courthouse, Room 602
1021 SW Fourth, Portland

PLANNING ITEMS

- P-1 *NSA 3-94 Review the December 21, 1994 Hearings Officer Decision, APPROVING, Subject to Conditions, for the Corbett School District #39 for Columbia River Gorge National Scenic Area Site Review to construct a new Elementary School in conjunction with the existing Corbett Middle and High School complex located in Unincorporated Multnomah County*
-

Tuesday, January 24, 1995 - 1:35 PM

Multnomah County Courthouse, Room 602
1021 SW Fourth, Portland

BOARD BRIEFING

- B-1 *Update on Efforts to Co-locate Various Public Agencies, Non-profits and Affordable Housing at the Russelville Site. Presented by Mike Ragsdale. 45 MINUTES REQUESTED.*

Thursday, January 26, 1995 - 9:30 AM

Multnomah County Courthouse, Room 602
1021 SW Fourth, Portland

REGULAR MEETING

CONSENT CALENDAR

SHERIFF'S OFFICE

- C-1 *Malt Beverage Liquor License Renewal Application Submitted by Sheriff's Office with Recommendation for Approval, for the BOTTOMS UP TAVERN, 16900 NW ST. HELENS ROAD, PORTLAND*
- C-2 *Ratification of an Intergovernmental Agreement, Contract #800685, between the Oregon Law Enforcement Data System (LEDS) and Multnomah County Sheriff's Office for use of the State-Wide System at the Hansen Building, Effective December 1, 1994 through December 1, 1996*
- C-3 *Ratification of an Intergovernmental Agreement, Contract #800695, between the Oregon Law Enforcement Data System (LEDS) and Multnomah County Sheriff's Office for use of the State-Wide System for Jail/Warrants, Effective December 1, 1994 through December 1, 1996*

REGULAR AGENDA

PUBLIC COMMENT

- R-1 *Opportunity for Public Comment on Non-Agenda Matters. Testimony Limited to Three Minutes Per Person.*

NON-DEPARTMENTAL

- R-2 *ORDER in the Matter of the Relinquishment of County Land Adjacent to the Juvenile Justice Center in the Northwest Quarter of Section 32, Township 1 North, Range 2 East, WM., Portland, Multnomah County, Oregon*
- R-3 *RESOLUTION in the Matter of Approving an Intergovernmental Agreement and Contract for the Regional Arts and Culture Council*
- R-4 *Ratification of an Intergovernmental Agreement, Contract #500365, between Multnomah County and the City of Portland, Clackamas County, Washington County, Metro, and Clark County, Washington for Support of the Regional Arts and Culture Council, Effective upon Execution by each Jurisdiction*

R-5

First Reading and Possible Adoption of an ORDINANCE Amending MCC Chapters 5.50 (Transient Lodging Tax) and 11.90 (Arts Commission) to Substitute the Regional Arts and Culture Council for the Metropolitan Arts Commission as the Recipient of Certain Funds and as Administrator of the Percent for Art Program, and Declaring an Emergency



MULTNOMAH COUNTY OREGON

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

BOARD OF COUNTY COMMISSIONERS

BEVERLY STEIN •	CHAIR •	248-3308
DAN SALTZMAN •	DISTRICT 1 •	248-5220
GARY HANSEN •	DISTRICT 2 •	248-5219
TANYA COLLIER •	DISTRICT 3 •	248-5217
SHARRON KELLEY •	DISTRICT 4 •	248-5213
CLERK'S OFFICE •	248-3277 •	248-5222

MEMORANDUM

TO: Chair Beverly Stein
Vice-Chair Sharron Kelley
Commissioner Gary Hansen
Commissioner Tanya Collier
Commissioner Dan Saltzman

FROM: Carrie Parkerson *Carrie*
Office of the Board Clerk

DATE: January 24, 1995

SUBJECT: JANUARY 23, 1995 SPECIAL MEETING/PUBLIC HEARING - CABLE
ACCESS SCHEDULE

For your information, the January 23, 1995 Special Meeting can be seen by Paragon Cable subscribers at the following times:

*Tuesday, January 31st, 6:00 PM, Channel 30
Friday, February 3rd, 1:00 PM, Channel 30
Saturday, February 4th, 7:30 PM, Channel 30
Sunday, February 5th, 4:00 PM, Channel 30
Friday, February 10th, 4:00 PM, Channel 30
Saturday, February 11th, 4:00 PM, Channel 30
Sunday, February 12th, 4:00 PM, Channel 30*

I hope that this is helpful for you and your staff.

cc: Sharon Timko

Agenda No.: 4-1

AGENDA PLACEMENT FORM

1/18/95

*Special Meeting
1-23-95
Handout #1
S-1*

TARGETING CAPITAL INTENSIVE INDUSTRIES

OREGON'S COMPETITIVE ADVANTAGES:

- QUALITY OF LIFE**
- WORKFORCE**
- POWER RELIABILITY AND COST**
- WATER QUALITY AND AVAILABILITY**
- LAND ZONED APPROPRIATELY**
- PUBLIC INFRASTRUCTURE**
- COST OF LIVING**

OREGON'S COMPETITIVE DISADVANTAGES:

- PROPERTY TAXATION SYSTEM**

CAPITAL INTENSIVE INDUSTRIES

CHARACTERISTICS:

- EXTRAORDINARY CAPITAL COSTS FOR TECHNOLOGY AND RESEARCH**
- EXTRAORDINARY INVESTMENT PER JOB - \$400,000 TO \$1 MILLION**
- HIGHLY TRAINED WORKFORCE PAYING HIGHER THAN AVERAGE WAGES**
- MULTIPLIER EFFECT OF ADDITIONAL INVESTMENT THROUGHOUT THE STATE**

STRATEGIC INVESTMENTS PROGRAM
MAJOR COMPONENTS

- **EXEMPTS PROPERTY TAXES ON AV OVER \$100 MILLION
(\$100 MILLION FLOATS WITH INCREASES/DECREASES IN TAXABLE VALUE
OF ALL COUNTY PROPERTY)**
- **25% OF ABATED VALUE TO COMMUNITY AS COMMUNITY SERVICE FEE**
 - **\$2 MILLION CAP PER YEAR**
 - **USED FOR VARIETY OF PUBLIC SERVICES**
 - **OUTSIDE OF MEASURE 5 LIMITS**
- **COUNTY CAN IMPOSE OTHER REASONABLE RESTRICTIONS, FEES, OR
REQUIREMENTS**
- **75% OF PERSONS HIRED MUST BE OREGONIANS**
- **REQUIRES CITY/COUNTY APPROVAL**
- **STATE ISSUES TAXABLE REVENUE BONDS FOR MAXIMUM OF FIFTEEN
YEARS**
 - **CONDUIT BOND**
 - **NOT GUARANTEED BY THE STATE**
- **COMPANY RETAINS PROPERTY OWNERSHIP**

SITE CRITERIA FOR SILICON WAFER MANUFACTURER

- **SITE SIZE: 50-150 ACRES**
- **VIBRATION SENSITIVE: STABLE SOILS**
- **ELECTROMAGNETIC FIELD SENSITIVITY: OVERHEAD TRANSMISSION LINES**
- **SENSITIVITY TO COMPETING OR CONFLICTING USES: HOUSING, HEAVY COMMERCIAL, HEAVY INDUSTRIAL**
- **WATER: LARGE AMOUNTS; CLEAN, NO UNDERGROUND CONTAMINATION**
- **POWER: CHEAP, RELIABLE**
- **PUBLIC INFRASTRUCTURE: ROADS, WATER, SEWER**
- **AESTHETIC APPEAL**
- **DEMONSTRATED SKILLED WORKFORCE AVAILABILITY**
- **POLITICAL RECEPTIVITY/BUSINESS CLIMATE: RAPID RESPONSE TO MEET MARKET TIMING**

PROJECT FINANCING

- **LOCAL CAPITAL IMPROVEMENT PROGRAMS**
- **LOCAL CHARGES: WATER, SEWER, TRAFFIC IMPACT, PERMIT FEES**
- **COMMUNITY SERVICE FEE**
- **OTHER NEGOTIATED SIP PAYMENTS**
- **STATE PROGRAMS -**
 - **SPECIAL PUBLIC WORKS - GRANTS, LOANS, TECHNICAL ASSISTANCE**
 - **ODOT IMMEDIATE OPPORTUNITY FUND**
 - **TARGETED TRAINING/KEY INDUSTRY TRAINING PROGRAMS**
 - **STRATEGIC RESERVE FUND**
 - **REGIONAL STRATEGIES PROGRAM**

ECONOMIC AND FISCAL IMPACTS

LOCAL GOVERNMENT

- COMMUNITY SERVICE FEE - OUTSIDE MEASURE 5**
- MORE AV PER WORKER THAN OTHER TYPES OF INVESTMENT**
- LOWER TAX RATES IF NOT UNDER COMPRESSION**

SCHOOL DISTRICTS

- ADDITIONAL STUDENTS - FUNDING SAME ON PER STUDENT BASIS**
- NEUTRAL IMPACT AT LOCAL LEVEL**
- POSITIVE IMPACT AT STATE LEVEL - MORE INCOME FROM TAXES TO SPREAD STATEWIDE**

LOCAL ECONOMY

- 1.6 TO 1 MULTIPLIER EFFECT/90% IN METRO AREA**
- SERVICE IMPACT LESS THAN WITH OTHER TYPES OF INVESTMENTS**

*Special Meeting
1-23-95
Handout #2
S-1*

**Presentation to the
Multnomah County Commission
on the
Strategic Investments Program**

Portland Development Commission
January 23, 1995

POPULATION AND EMPLOYMENT

POPULATION

	1980	1990	1993	% Growth '80-'93
Multnomah County	562,640	583,887	615,000	9.3%
PMSA Excluding Mult. Co.	542,652	655,955	723,900	33.4%

Source: U.S. Bureau of the Census; Center for Population Research and Census, Portland State University.

EMPLOYMENT

	1980	1990	1993	% Growth '80-'93
Multnomah County	334,800	375,800	381,800	14.0%
PMSA Excluding Mult. Co.	174,300	252,300	279,600	60.4%

Source: Covered Employment and Payrolls, By Industry and County. State of Oregon, Department of Human Resources, Employment Division.

UNEMPLOYMENT AND PER CAPITA INCOME

UNEMPLOYMENT (11/94)

	Persons Unemployed	Unemployment Rate
Multnomah County	14,600	4.0%
PMSA Excluding Mult. Co.	28,510	3.6%

Source: State of Oregon, Department of Human Resources, Employment Division.

PER CAPITA INCOME

	1970	1980	1990
Multnomah County	\$3,447	\$8,129	\$14,462
PMSA Excluding Mult. Co.	\$3,017	\$8,560	\$15,726

Source: U.S. Bureau of the Census

EMPLOYMENT BY SECTOR (000s)

MULTNOMAH COUNTY

	1980	1990	1993	Growth '80-'93
Wholesale and Retail Trade	89.8	90.3	89.7	-0.1
Manufacturing	52.8	50.2	47.7	-5.1
Services and Miscellaneous	71.7	108.2	112.8	41.1
Government	50.7	53.6	57.3	6.6
Finance, Insurance and Real Estate	29.5	29.8	31.2	1.7
Transportation, Communications and Utilities	26.7	28.0	29.4	2.7
Construction and Mining	13.6	15.7	13.7	0.1
Total	334.8	375.8	381.8	47.0

PORTLAND PMSA EXCLUDING MULT. CO.

	1980	1990	1993	Growth '80-'93
Wholesale and Retail Trade	44.4	74.9	81.3	36.9
Manufacturing	53.0	54.5	56.3	3.3
Services and Miscellaneous	30.6	61.8	73.8	43.2
Government	22.6	27.1	29.1	6.5
Finance, Insurance and Real Estate	7.4	11.5	15.1	7.7
Transportation, Communications and Utilities	4.8	8.5	9.1	4.3
Construction and Mining	11.5	14.0	14.9	3.4
Total	174.3	252.3	279.6	105.3

Source: *Covered Employment and Payrolls, By Industry and County*. State of Oregon, Department of Human Resources, Employment Division.

AVERAGE WAGES PER EMPLOYEE 1970 - 1993

Source: *Covered Employment and Payrolls, By Industry and County.* State of Oregon, Department of Human Resources, Employment Division.

SERVICES

	1980	1990	1993
Multnomah County	\$12,280	\$20,580	\$23,908
PMSA Excluding Mult. Co.	\$11,560	\$21,580	\$23,217

MANUFACTURING

	1980	1990	1993
Multnomah County	\$19,660	\$29,450	\$32,988
PMSA Excluding Mult. Co.	\$17,660	\$28,920	\$34,231

ALL INDUSTRIES

	1980	1990	1993
Multnomah County	\$15,630	\$23,660	\$27,298
PMSA Excluding Mult. Co.	\$14,480	\$22,640	\$25,843

BENEFITS OF NEW INVESTMENT

- INCREASED MANUFACTURING JOBS, RETAINED AND CREATED
(and the wage rates which are linked to them)
- DECREASED UN- AND UNDER-EMPLOYMENT
- INCREASED TAX BASE/REVENUES
- INCREASED CONNECTIONS BETWEEN INDUSTRY, EDUCATION AND GOVERNMENT
- INCREASED MARKETS FOR LOCAL SUPPLIERS
- OPTIMUM UTILIZATION OF AVAILABLE LAND AND INFRASTRUCTURE

REGIONAL ECONOMIC AND JOB DEVELOPMENT GOALS

- GROW AND ATTRACT INTERNATIONALLY COMPETITIVE COMPANIES THAT SUPPORT WELL-COMPENSATED JOBS WITH LONG-TERM POTENTIAL
- BUILD A WORLD-CLASS WORKFORCE THAT PROVIDES THE FULL RANGE OF SKILLS NECESSARY TO ATTRACT AND SUSTAIN COMPETITIVE, HIGH PERFORMANCE COMPANIES
- ENSURE THAT ALL RESIDENTS, PARTICULARLY LOW-INCOME AND UNEMPLOYED PEOPLE, HAVE THE OPPORTUNITY TO BENEFIT FROM BUSINESS GROWTH
- BUILD REGIONAL PUBLIC AND PRIVATE WEALTH AND ECONOMIC CAPACITY
- LINK BUSINESS NEEDS WITH THE EDUCATIONAL SYSTEM
- ATTRACT, EXPAND, RETAIN COMPANIES AND JOBS WITHIN KEY INDUSTRIES
- ESTABLISH AN ENVIRONMENT THAT SUPPORTS BUSINESS GROWTH AND DEVELOPMENT

CONTRACTS ENSURE

- RESPONSIBILITY
- ACCOUNTABILITY
- PENALTIES
- REMEDIES

Employment Issues

- **Estimated 15,000 unemployed Multnomah County residents**
- **Need skills to compete**
- **Link skills to emerging job opportunities**
- **Capture jobs from tax incentive programs**

City of Portland Interim Incentive Policy

- **Jobs leading to economic self-sufficiency**
- **Guaranteed hiring levels**
- **Retention requirements**
- **Financial penalties for non-compliance**
- **Training strategies with community colleges and public schools**

Local Hiring Strategy

- **First Source Hiring Agreements**
- **JobNet coordinates recruitment**
- **Fill training gaps:**
 - ▶ **remedial skill development**
 - ▶ **transportation linkages**
 - ▶ **child care**

Semiconductor Workforce Strategic Plan

- **Developing with industry and education**
- **Includes entry level and upgrading training**
- **Wacker Siltronic training at Benson High School**

Summary

- **Jobs created can go to local workers**
- **Residents can be trained for these jobs**
- **Hiring agreements can assure public goals are met**
- **Requires careful planning and investment in education and training**

What we're going to cover

- **Property tax system**
- **Measure 5 and compression**
- **Property values in Multnomah County (12 year history)**
- **The impact of Tax Abatement:**
 - **where rates are compressed**
 - **where rates are not compressed**

$$\text{\$} = \text{A.V.} \times \text{Rate}$$

Taxing districts are allowed to collect
a predetermined dollar amount -- **\$**

Assessed value is determined by
market value and computed,
property by property, by
Assessment and Taxation -- **A.V.**

Rate is computed by dividing the
amount to be collected by the
Assessed Value . If Assessed Value
increases, the Rate *decreases*. If
Assessed Value decreases, the rate
increases.

Measure 5 (passed Nov 1990)

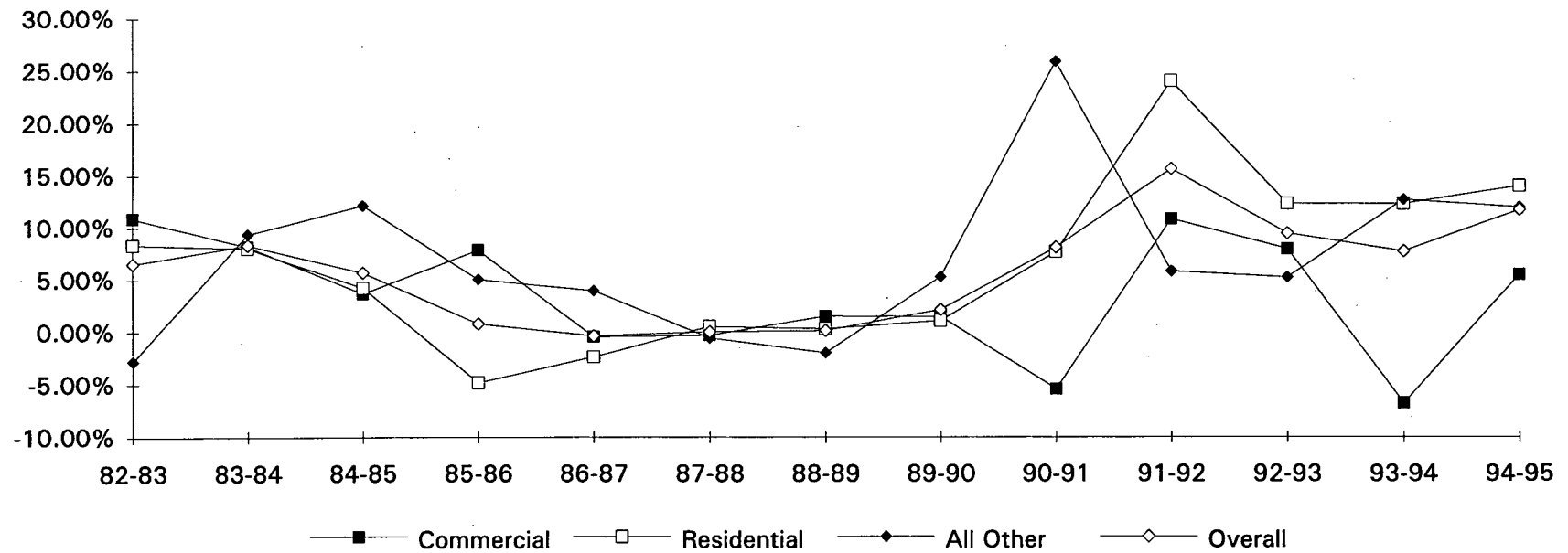
Overview

- **Property is appraised at real market value (the minimum it would sell for during the tax year).**
- **Taxing districts levy what voters have authorized them to collect.**
- **A&T computes the rates needed to collect the amount levied by each district.**
- **Constitutional limits: no property pays more than \$10/\$1,000 for local governments, or \$5/\$1,000 for schools**
- **If the sum of the rates is less than constitutional limits, A&T proceeds to collect the taxes.**
- **If the sum of the rates is greater than the constitutional limits, A& T “compresses” the rates, then collects the taxes.**

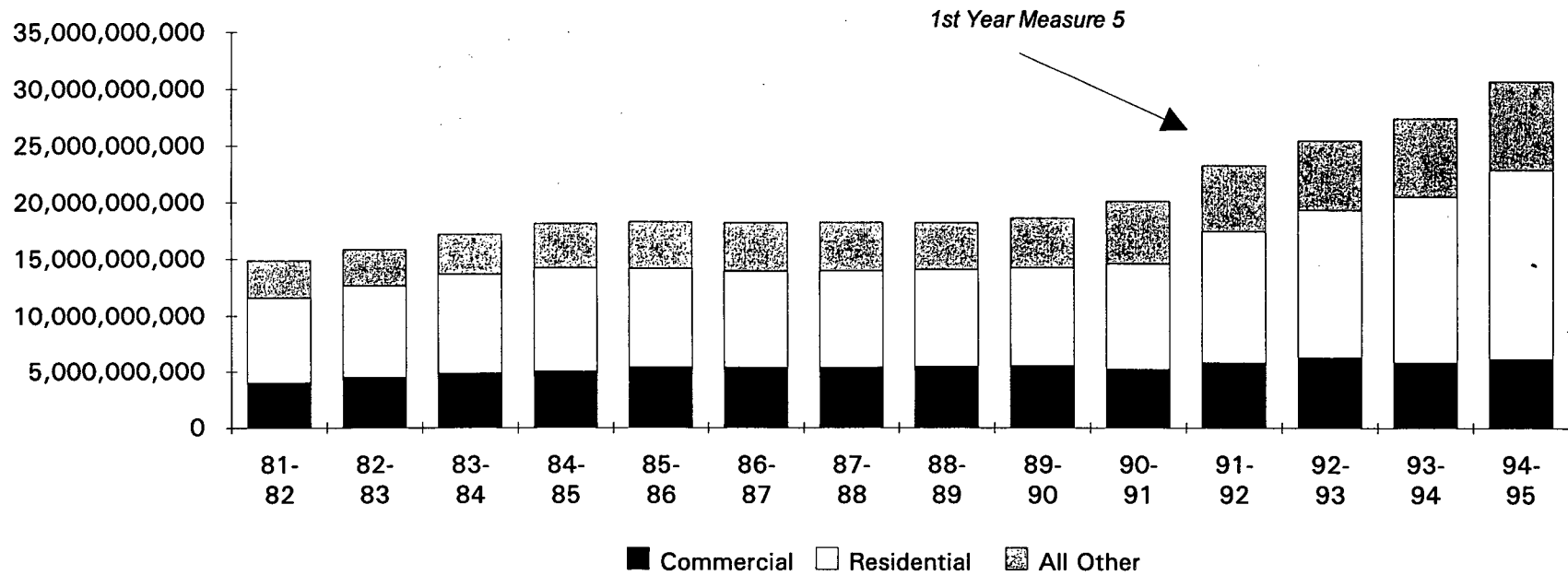
Compression -- Glossary

- **Compression** -- reduction of tax rates to fit the constitutional limits: \$10 per thousand for all governments combined, \$5 per thousand for all schools combined.
- **In compression** -- total tax rates for governments or schools exceed the constitutional limit, therefore the rates are reduced and the taxing districts do not collect the full amount of taxes authorized by voters.
- **Out of compression** -- the tax rates total less than the constitutional limits and taxing districts collect the full amount authorized by voters.
- **Under compression** -- in compression

Multnomah County % Change in Value Growth (1983-95)



Multnomah County Assessed Value (1982-95)



Property Values

- **Property values have grown an average of 6% per year since 1982-83.**
- **Residential property values have grown an average of 7% per year.**
- **Commercial/industrial property values have grown an average of 3.5% per year.**
- **Residential property was 51% of total value in 1982-83, in 1995 it is 55% of total value.**
- **Commercial/industrial property was 28% of total value in 1982-83, in 1995 it is 20% of total value.**
- **The shift in assessed value has caused the tax burden to shift also.**

Effect of Tax Abatement:

Where rates are compressed

- **Abatement limits total assessed value. It holds value off the tax roll. This causes the tax rate to be higher.**
- **Measure 5 compression drives down the tax rate on the tax bill, making it less than what is needed to collect the full levy amount.**
- ***Governments and schools receive less tax revenue.***
- **The company with “abated” assessed value receives a tax break; other taxpayers do not make up the difference.**

Effect of Tax Abatement:

Where rates are not compressed

- **Abatement limits total assessed value. It holds value off the tax roll. This causes the tax rate to be higher.**
- **Measure 5 compression does not occur because total rates do not exceed \$10/\$1,000 for governments or \$5/\$1,000 for schools.**
- **Governments and schools receive full levies.**
- **The company with “abated” assessed value receives a tax break; *other taxpayers make up the difference.***

Special Meeting
1-23-95
Handout #4
S-1

EXCERPTS FROM

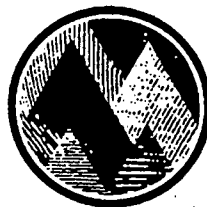
**JOURNEY-TO-WORK TRENDS
IN THE
PORTLAND-VANCOUVER AREA**

Journey-To-Work Trends
in the
Portland-Vancouver Area
from the
1990 Census Transportation Planning Package



Special Study:
The Jobs and Housing Balance Issue

METRO



Data Resource Center
Planning Department
January 1995

ACKNOWLEDGMENTS

The preparation of this report has been financed in part by funds from the U.S. Department of Transportation, Urban Mass Transportation Administration, under the Mass Transportation Act of 1964 as amended; and by funds from the Federal Highway Administration, U.S. Department of Transportation.

THIS REPORT RESEARCHED AND WRITTEN BY METRO STAFF:

Sonny Conder, urban research supervisor 797-1592
Dennis Yee, senior economist 797-1578
Bob Knight, associate regional planner..... 797-1591

METRO

Metro is the directly elected regional government that serves the 1.1 million residents in the urban and suburban portions of Clackamas, Multnomah and Washington counties as well as those in the 24 cities of the region including: Beaverton, Cornelius, Durham, Fairview, Forest Grove, Gladstone, Gresham, Happy Valley, Hillsboro, Johnson City, King City, Lake Oswego, Maywood Park, Oregon City, Portland, Rivergrove, Sherwood, Tigard, Troutdale, Tualatin, West Linn, Wilsonville and Wood Village.

Metro is responsible for the regional aspects of transportation and land use planning; regional greenspaces and parks; solid waste management; operation of Metro Washington Park Zoo; and technical services to local governments in the region. Through the Metropolitan Exposition-Recreation Commission, Metro manages the Oregon Convention Center, Civic Stadium, the Portland Center for Performing Arts and the Expo Center.

Metro is authorized by Chapter 268 of the Oregon Revised Statutes and the Metro Charter adopted by the citizens of the region in November 1992. Metro is governed by a 7-member council and an executive officer. Councilors are elected from districts and the executive officer is elected regionwide.

For more information about Metro or to schedule for a community group, call 797-1510.

EXECUTIVE OFFICER

Mike Burton

AUDITOR

Alexis Dow

COUNCILORS BY DISTRICT

District 1	Ruth McFarland, presiding officer	District 4	Susan McLain
District 2	Don Morrisette	District 5	Ed Washington
District 3	Jon Kvistad	District 6	Rod Monroe
		District 7	Patricia McCaig

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FOREWORD

The U.S. Census recently released its journey-to-work tabulation for the Portland-Vancouver area. This data set includes origin and destination profiles of the transportation choices made by residents and non-resident commuters of the metropolitan area. The 1990 Census Transportation Planning Package (CTPP) is an enhancement over the 1980-vintage CTPP with more information on the economic and industrial characteristics of the region.

The purpose of this publication is to make available the data from the 1990 CTPP to private planning and consulting organizations and other government planning agencies. The 1990 CTPP is routinely distributed to metropolitan planning organizations (MPO) for their analysis of transportation characteristics. The details of Census transportation data reported in the CTPP is not generally available in other publications. Metro is providing selected cross tabulation tables through this publication. For additional data beyond these tables, custom data queries can be requested on a case-by-case basis for a nominal charge.

The 1990 CTPP data surveys journey-to-work information from households and workers from 11 counties in Oregon¹ and Washington². The CTPP is tabulated into three major parts: transportation characteristics by area of residence; by area of work; and by area of residence and work place taken together. This publication chooses to reprint selected place of work profiles for occupation, industry employment³, work force earnings, vehicle use, the means of transportation by origin and destination, and other journey-to-work tabulations.

A special section has been included with this publication which examines *The Jobs and Housing Balance* issue. The concept of jobs and housing balance holds that an equal distribution of labor force and employment through out the region results in shorter work trips. Proponents of this idea suggest that locating employment opportunities near residential sites will encourage shorter commutes and less automobile use. To test this concept with real world data, we will analyze the economic and transportation characteristics of seven regional centers around the region, varying from high intensity employment with relatively few households to relatively low-density employment with high residential household concentrations.

¹ Clackamas, Columbia, Marion, Multnomah, Polk, Washington and Yamhill counties in Oregon

² Clark, Cowlitz, Klickitat and Skamania counties in Washington state

³ Employment is defined by the Census counting of jobs in the 1990 U.S. Census. This employment number differs from the BEA job estimates, Table CA 25, Regional Economic Information System, U.S. Dept. of Commerce, Economics and Statistics Administration, Bureau of Economic Analysis, Regional Economic Measurement Division and the establishment employment counts by the State Employment Securities Department (Current Employment Survey (CES) or Covered Employment (ES-202)).

Does the jobs and housing balance result in shorter work trips? To better understand and answer this question, we study seven regional centers using cross-sectional data from the CTPP. We analyze journey-to-work patterns, where workers live and where they work, labor distribution, and industrial and occupation mixes in order to gain insight into the jobs-to-housing balance issue. A weakness of this study is that it is a static analysis which does not account for dynamic changes over time. This study approach could lead to incorrect intertemporal inferences.

Journey-to-Work Trends in the Portland-Vancouver Area

Overview of Regional Developments

In the last four years, the regional economy has undergone relatively strong growth in employment and population. Population has grown an average of 1.7% per year and total nonfarm employment rose an average of 1.8% per year. In recent years, increases in population have helped fuel employment and overall economic growth in the Portland metropolitan area. This growth has helped sustain the Portland economy, but on the other hand, this growth has placed more strain on the existing transportation infrastructure.

This report documents what has occurred regionwide in 1990 in the journey-to-work demographic characteristics, geographic flows, mode of travel to work, vehicle availability, and other indicators of commuting activity in the Portland CMSA⁴. Included is a Special Study that takes a look at the *Jobs and Housing Balance Issue*.

In 1990, the U.S. Census discovered a much different journey-to-work pattern. Thirty years ago, most commuter trips were of the home-to-work and suburb-to-central city trip generation variety. Commuters nowadays are tending to link together a variety of trip destinations into a longer and more complicated trip that may include trips to daycare, for convenience shopping, or some other purpose aside from just getting to work or from work. The trip is also more likely to originate from a suburban location and go to another suburban county destination.⁵

We have chosen to structure this publication into two mutually exclusive reports. Section 1 is devoted to the study of the Jobs and Housing Balance Issue. This section begins with a data development description followed by a theory and framework, and concluding with report findings⁶. Section 2 describes in broad measures the transportation data available in this publication's Appendix.

⁴ The 1990 Portland CMSA included only the 5-counties of Clackamas, Multnomah, Washington and Yamhill in Oregon and Clark county, Washington. Since 1993, the CMSA was expanded to include 3 more counties in Oregon: Columbia, Marion and Polk. The newly named CMSA is now called the Portland-Vancouver CMSA. The 1993 Portland-Vancouver PMSA is now equivalent to the 1990 Portland CMSA definition.

⁵ *Journey-To-Work Trends in the United States and its Major Metropolitan Areas, 1960-1990*, U.S. Department of Transportation, Federal Highway Administration

⁶ Comments and conclusions are the sole responsibility of the authors. They do not necessarily represent the opinions of the Metro Council, Metro Executive, or Metro's Growth Management Department or

SECTION 1

Special Study: The Jobs and Housing Balance Issue

1. Introduction

The *Jobs and Housing Balance* issue is gaining regionwide attention as regional planners and special interest groups look for creative solutions to manage growth within Portland's urban growth boundary. The concept promotes development (or re-development) of regional centers (also including town centers), or the creation of job opportunities close to where people live; thereby reducing the average work trip length of commuters. Proponents see the concept as a policy instrument that will lead to desirable social benefits, such as: less auto dependency and traffic congestion, improvement in air quality, preservation of farm land, prevention of urban sprawl, and less strain on infrastructure requirements and road improvements. Opponents to this argue that local (or regional) government can not efficiently target businesses to invest near residential areas nor will they be successful in compelling workers to choose housing close to work.

Will balancing jobs and labor force really shorten work trips? In this study, we begin to answer this question. The general approach of this study is to compare the trip lengths of workers employed in regional centers of varying employment and housing to determine the impact of jobs and housing balance.⁷

We use a case study approach with seven regional sites to examine the impact of jobs and housing balance. We look at the jobs and housing balance question in our seven regional sites from two perspectives. The first perspective is given that **you live in a regional center with a particular ratio of jobs to housing (i.e., resident labor force), where do you work and what is the length of the work trip.** The second perspective is given that **you are employed in a particular regional center, where do you live and what is the work trip length.** Ideally, we expect three outcomes if jobs and housing balance worked perfectly, *as the ratio of the number of jobs to labor force approaches one:*

- 1) the percentage of workers who live and work in an employment center will increase;
- 2) the percentage of workers who work in the center and live elsewhere will decrease;
- and
- 3) the percentage of workers who live in the center and work elsewhere will decrease.

Staff. Any conclusions are preliminary and are intended as intellectual research for the advancement of theory and knowledge concerning issues about the Jobs and Housing Balance concept.

⁷ Gordon, Peter, Ajay Kumar, and Harry W. Richardson, *The Influence of Metropolitan Spatial Structure on Commuting*, *Journal of Urban Economics*, Vol. 26, pp. 138-151, 1989

We suspect that there might exist an optimal regional center size and a range in the jobs-to-housing ratio which may minimize the average work trip length of workers in the region.

Policy makers intent on directing spatial growth in the region may find it useful to know the existing trends of trip length associated with household and employment growth. Some have already speculated that market forces are already driving the convergence of jobs and household balance⁸. Based on recent economic and demographic data and reports, these trends seem to be driving employment growth out to the suburban counties (Washington and Clackamas) where an abundant work force already is residing. In any event, any kind of change to the jobs-to-housing balance will probably impact the region over a long period of time.

Optimally, we would like time series data to show how trip length has changed as employment has decentralized. Unfortunately, sufficient time-series data to study the issue is unavailable. In place of this kind of information, we attempt to construct a cross sectional data set to analyze possible outcomes and economic characteristics of regional centers near jobs and housing balance.

Seven regional sites were chosen to represent a broad range of jobs-to-housing balance (see table 1). They are grouped into three categories 1) *Employment rich, work force poor*, 2) *Balanced employment and work force*, 3) *Work force rich, employment poor*. These groupings reveal the *Central Business District* (CBD) as having the highest employment concentration (20 to 1) in the region and is unique. *Gresham* represents a regional center high in the number of workers living in households but offering few job opportunities. The regional center with the second highest jobs-to-housing ratio is the Tualatin city area. In fact employment exceeds the number of workers living in the vicinity by 50%, although this difference hardly seems significant as compared to the CBD.

Table 1

Regional Employment Centers and the Jobs-to-Housing Ratios					
Group 1: Employment Rich		Group 2: Balance		Group 3: Workforce Rich	
Central Business District	20.3	Tualatin city area	1.5	Hillsboro city area	0.8
		Washington Square	1.2	Gresham city area	0.6
		Beaverton city center	1.2		
		Clackamas Town Ctr.	1.0		

Source: 1990 U.S. Census, CTPP
Housing is defined to be the number of workers
16 years and over in the labor force

The cities of Gresham and Hillsboro were selected for their reputation as residential-dominant communities. A shortage of job opportunities in these cities creates a surplus

⁸ Gordon, Peter, *Regional Science and Compact Cities*, seminar at the Portland State University, School of Urban and Public Affairs, September 30, 1994

number of workers in households seeking employment. Estimates of the jobs-to-housing ratio confirm this.

We decided to place four of the seven regional centers in the balanced jobs and housing category. They are the Washington Square area, the Clackamas Town Center (CTC), downtown Beaverton, and Tualatin.

We postulate that these seven regional centers are representative of current and future regional centers. We propose to profile the characteristics of each employment center in hopes of gleaning insight into the jobs and housing balance issue as it may affect employment and housing choice and ultimately trip lengths in the region.

2. Data

The data used in this report are from a special tabulation, the 1990 Census Transportation Planning Package (CTPP), of the 1990 Census of Population and Housing, Summary Tape File (STF) 3. The data supporting the analysis in this report's Special Study section is the Urban Element Part 3 of the 1990 CTPP which discloses origins and destinations of workers in the metropolitan area. The Special Study excludes work trips (or workers) that do not originate or are not destined for this area (i.e. external work trips are excluded).

Analysis is generally performed at the census tract level of detail, although some preliminary work has been done and is reported at Metro's 20 district subregional level (see Map 1 for districting details).

Two terms are used to describe commuter patterns. We take the opportunity now to define an *employment distribution curve* and a *labor attraction curve*.

Employment distribution curve – measures the percentage of workers living in zone i (a regional center), but working in zone j (a circumferential distance around a regional center). For instance, if you live in the Gresham area, where do you work and what is your work trip length.

Labor attraction curve – measures the percentage of workers working in zone j (a regional center), but living in zone i (a circumferential distance around a regional center). For example, if you work in the Gresham area, where do you live and what is your work trip length.

For each of the seven regional sites, we aggregate employees and residents into concentric one mile ring around each center. For every resident 16 years or older of a regional center, we determine the distance band in which they are employed. By the same method, for each employee of a regional center, we determine the distance band for where they

live. This information, then, is used to construct employment distribution curves and labor attraction curves for each regional site.

3. Report Findings

The data results we report below suggest that the nature of the jobs and housing balance issue runs much deeper than simply balancing the number of jobs and the number of homes (or workers in households) around a regional center. We have found three factors which apparently also play a role in the jobs and housing balance issue. These three factors include 1) the size of a regional center (number of jobs in the area), 2) the occupation mix, and 3) the industry mix. Variations in regional employment numbers, occupation and industry mix play a significant role on the effectiveness of any social policy aimed at creating jobs and housing balance.

The seven sites were selected for their different jobs-to-housing ratio so that the transportation characteristics for as many categories could be analyzed. Why this might be important is that promoting jobs and housing balance is very likely to exhibit varying degrees of responses (or elasticities). That is to say, some areas may respond poorly to policies directed at jobs and housing balance, while others will benefit. With this study, we hope to quantify or at least qualitatively describe how a center might respond to a change in jobs and housing balance.

In the next two parts, we will discuss the results of the seven cases in this case study. Part A discusses the analysis and results of the employment distribution curve for each regional site, i.e., the work trip profiles and job characteristics of the labor force living in regional centers and where they journey-to-work (place of work). Part B examines the labor attraction curve, i.e., the transportation profiles and job characteristics of the labor force that is employed at each regional center and the origins (place of residence) for each worker.

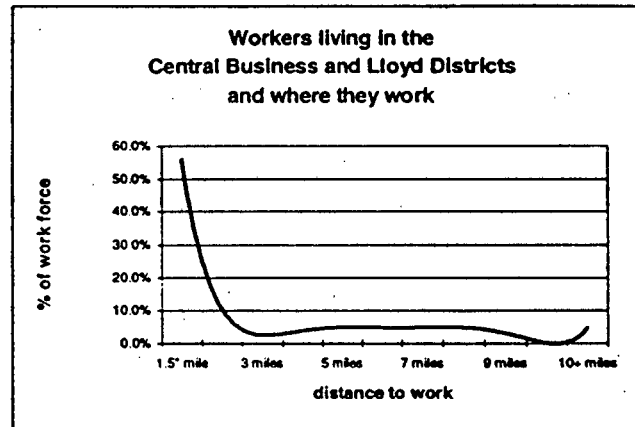
Part A: The distribution of workers living in regional centers

The employment distribution curve shows where workers living in households of regional centers go to work. In other words, if you live in a regional center of a certain size, how likely are you to work there and what is the length of your commute if you work elsewhere? The employment distribution curve answers this question in the aggregate sense for all workers of a particular regional center. We have further transformed the data by dividing the number of workers living in a regional center and working at each distance ring by the total number of workers employed in the same regional center. For instance, if a regional center has 50 employees working in the 5 mile band and the total resident labor force living in the regional center is 500, then the percentage working at the 5 mile band is 10%.

In theory, we expect a high proportion of workers living in regional centers to work at jobs in the same regional center, other things being equal. In other words, if you live in a regional center the highest probability of where you are most likely to work is near or in the regional center itself. However, as the distance to work increases away from the center, the percentage of workers employed in each distance band is expected to rapidly decay. In employment rich centers, this says that the average trip lengths for workers in households of employment-rich and balanced regional centers should average shorter work trip lengths (see chart 1 for an example of an employment distribution curve).

Chart 1

Conversely, in employment poor and labor force rich areas the work trips are expected to be longer. The likelihood of finding employment close to home is much less than in employment-rich zones, so a greater percentage of the work force must find employment further away. The employment distribution curve is expected to show a relatively high percentage of its own work force employed far away from the center, and as a result household-dominant centers will create longer average work trips (see chart 2 illustrating an example of an employment distribution curve of an employment poor and labor force rich regional center).



In charts 1 and 2, we display employment distribution curves of the CBD and Lloyd district work force (employment rich) and the Gresham work force (labor force rich), respectively.

Chart 2

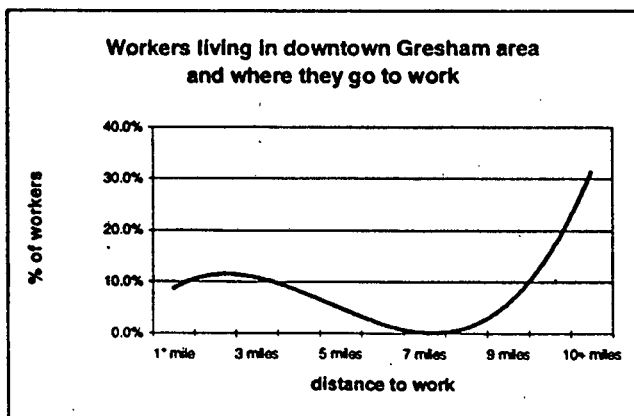


Chart 1 shows that in employment rich areas like the CBD most of the labor force who live there also work there or nearby. Chart 2 indicates that in labor force rich areas most workers journey well outside the home regional center. Table 2 presents the labor force distributions in detail for all seven regional sites.

We observe for the CBD (in group 1) a skewed employment distribution

weighted heavily in favor of employment close in. Over 60% of workers living in the CBD choose to work inside a 2 miles radius. The average work trip length is slightly more than 3 miles. This example supports the concept that the labor force living in

employment rich zones have shorter work trips. With the exception of Tualatin, the balanced jobs-to-housing sites also exhibit similar employment distribution profiles, although the curves are not as steep meaning that work trips are not as short as more employment intense sites. With fewer job opportunities per resident, the employment attraction of balanced regional centers is thus weaker than employment rich zones.

A comparison of charts 1 and 2 show two contrastingly different work trip profiles. An employment rich regional site such as the CBD generates shorter work trips than a labor force rich site such as Gresham or Hillsboro. The labor force living in employment rich and labor poor zones generally display rapidly decaying employment distributions as shown in chart 1. In contrast, labor rich and employment poor zones generally display employment distributions that show a lower percentage of workers employed in the home center and a larger percentage working outside the same regional site. (Hillsboro's employment distribution curve is similar in shape to Gresham's as shown in chart 2.)

In table 2, we see that not all examples in the jobs-to-housing ratio groupings fit neatly with the category descriptions that the jobs and housing balance concepts would indicate. For example, we find Tualatin (in group 2) does not have the distinctive profile of other members in the balanced jobs and housing category. Workers in Tualatin have an average trip length that is significantly higher than others in its group (8.4 miles). Furthermore, only ten percent of the labor force living in the Tualatin employment center works there.

The data from the Tualatin case study points out that simply increasing employment does not necessarily produce shorter work trips. Suppose a labor force rich area is targeted for development in order to attain better jobs and housing balance. Tualatin's employment distribution is an exception to the jobs and housing concept. Policies aimed at promoting jobs and housing balance need to be wary of this point and attempt to avoid conditions which could create a Tualatin-example as opposed to a more desirable Clackamas Town Center- or Beaverton-outcome.

Compared to employment poor areas, the data in table 2 indicate that balanced regional centers seem to have an advantage in reducing work trip distances. The empirical evidence shows that the average trip length of workers living in balanced centers is under 6 miles (except Tualatin) as compared to 7.1 and 7.7 miles for Hillsboro and Gresham workers, respectively. However, this is nearly twice the work trip distance of CBD workers. Over half of all work trips of balanced centers exceed 5 miles as compared to only 23.7 percent for CBD residents. Regional centers with a greater job-to-housing ratio (in favor of employment) are more likely to retain its own work force and have shorter average trip lengths. This is true when comparing the work choices of only workers resident within a regional center, but this is only half of the picture. In the regional centers where employment exceeds labor force, additional workers need to come from outside the center. As we shall see in part B, the labor force attraction curve shows that CBD workers (in an employment-rich site) overall have some of the longest commutes in the region.

Before moving to part B, we need to further analyze the Tualatin case study. This is best done by comparing the Gresham and Tualatin regional centers. Gresham and Tualatin represent opposite ends of the jobs-to-housing ratio. But what they have in common may provide empirical details which may be useful in developing policy directives. Gresham and in particular Tualatin attract (or retain) the lowest percentage of their own work force than any other regional sites. As a result, they have the longest average work trip lengths.

Table 2

Labor Force Distribution							
for workers living in a regional center and where they work							
work trip length	Percentage of Work Force						
	Group 1	Group 2				Group 3	
	CBD	Tualatin	WA Sq.	CTC	Beaverton	Hillsboro	Gresham
1 mile	54.4%	10.0%	23.4%	17.5%	27.5%	19.6%	11.0%
2 miles	11.5%	0.9%	2.8%	11.9%	3.8%	5.0%	7.0%
3 miles	3.3%	8.7%	3.7%	4.9%	8.1%	9.6%	15.8%
4 miles	5.1%	4.0%	10.5%	12.5%	2.9%	5.9%	1.8%
5 miles	2.2%	11.0%	4.9%	7.9%	7.5%	2.7%	6.0%
6 miles	5.7%	5.1%	8.2%	5.0%	7.9%	4.3%	3.2%
7 miles	5.8%	3.9%	13.0%	15.1%	9.8%	0.8%	2.5%
8 miles	4.7%	4.2%	12.9%	6.5%	17.1%	7.2%	4.0%
9 miles	1.9%	3.6%	4.5%	8.8%	4.4%	7.5%	8.3%
10 miles	1.1%	7.5%	6.4%	1.3%	2.7%	9.1%	2.9%
10+ miles	4.5%	41.0%	9.6%	8.6%	8.2%	28.3%	37.7%
	100%	100%	100%	100%	100%	100%	100%
workers living in the area	8,515	3,790	9,853	2,232	11,011	6,746	4,270
avg. work trip length (miles)	3.2	8.4	5.8	5.4	5.4	7.1	7.7
jobs-housing ratio	19.6	1.5	1.2	1.2	1.0	0.8	0.6

Average work trip length is of workers living in the center(s).

What is it about the two cities which creates the longer commuter distances? For Tualatin, we suspect that the balance between supply and demand of occupations and the industry mix play a major role. Although the evidence is not entirely conclusive, preliminary analysis suggests that in Tualatin's case, supply of labor is weighted higher in the management, professional and clerical occupations than what is in demand by business establishments in the same area. The journey-to-work patterns show that a significant proportion of Tualatin residents are employed in district 1 and 2 (the CBD and Lloyd district). The particular occupation mix in Tualatin suggests that workers commuting to these two districts are mostly higher paid managers and professionals. We suspect at present that Tualatin jobs are relatively lower paying and can not compete with the occupation and industry diversity in the CBD in this regard. As a result the journey-to-work choices of Tualatin residents contribute to its overall longer average work trip.

In the Gresham case, a good part of the long work trip is due to having too few jobs given the size of the resident labor force. Gresham has 40% more workers living in households than the number of job opportunities available. As a consequence of this, many more workers have to seek employment outside Gresham. Additionally, we find evidence that occupation mismatches also contribute to fewer workers finding employment in the Gresham regional center. Gresham's own work force appears to supply a higher proportion of managerial, clerical and sales occupation while the demand in the same area is higher in other services, production and assembly jobs. The overall supply and demand imbalance of workers and occupation mix adds up to longer work trips for employed or job-seeking Gresham residents, just like Tualatin. The journey-to-work patterns of Gresham residents show a significant percentage journeying to work in district 1 and 2 (see Section 2, table 1).

Table 3

Occupation Profile by Place of Work and Residence						
	Tualatin		Gresham		Hillsboro	
	Workplace	Resident	Workplace	Resident	Workplace	Resident
All occupations	15,585	10,432	29,286	45,967	24,030	29,358
Management	13.0%	18.2%	9.2%	11.5%	11.7%	10.0%
Professional	10.0%	16.3%	13.2%	10.2%	17.3%	12.5%
Technical	3.2%	3.2%	2.5%	3.1%	4.5%	4.3%
Sales	14.1%	13.9%	12.6%	13.6%	10.0%	9.6%
Clerical	13.1%	15.8%	12.5%	18.9%	14.0%	14.8%
Private HH service	0.2%	0.5%	0.3%	0.2%	0.2%	0.3%
Protection service	0.6%	1.0%	1.3%	1.3%	1.7%	1.5%
Other service	8.1%	7.9%	14.1%	10.9%	11.1%	10.9%
Ag, forest & fish	2.1%	1.2%	2.8%	2.3%	3.4%	4.7%
Production	14.1%	10.5%	14.4%	12.1%	10.7%	14.1%
Assembly	11.0%	5.4%	7.9%	6.1%	8.0%	8.4%
Transport, Moving	4.7%	3.3%	4.1%	5.0%	2.8%	4.1%
Unskilled labor	5.8%	2.6%	4.9%	4.4%	4.3%	4.5%
Armed forces	0.0%	0.3%	0.1%	0.3%	0.2%	0.2%

Occupation estimates are based on Metro's 20 district boundaries.
Average work trip length is of all workers employed in each center.

A counter example to Gresham is in the case of Hillsboro. In Hillsboro, we also cited a jobs deficit but a slightly higher ability to retain its own labor force. We believe this is because of the high-tech industry and government (city and county) jobs in the area and the corresponding occupation mix. The Hillsboro area has a low jobs-to-housing ratio (0.8), but yet is able to retain a higher percentage of its own labor force because of a relatively higher mix of professional and technical support jobs that exist in the area. The combination of good-paying government and high-tech jobs affords Hillsboro a slight advantage in attracting its own labor force and workers from its own immediate labor shed.

A higher proportion of managerial, professional and technical jobs in Hillsboro may explain why it has the ability to retain more of its own workforce. It is probably not a coincidence that Hillsboro's work force is located within its immediate vicinity. The occupations and the jobs generated by high-tech and local government agencies have a tendency to be higher paying and providing a "family-wage". Hence, there is probably a high degree of self-location of workers to reside in Hillsboro in order to take advantage of the economic aspects. Hillsboro is comparatively more isolated than any of the other regional sites picked in this study which may also lend to the city's ability to retain and attract workers.

Evidence suggests that if more job opportunities and the "right" occupation mix existed for residents living in the Gresham and Tualatin, the average trip lengths could possibly be shortened. In the case of Gresham, there are too few jobs available also. And for both cities, there is probably an unusually high degree of occupation mismatching which the data suggests but does not strongly confirm without more detailed analysis. Both cities do not have a strong drawing force like a high-tech industry or a county seat which can create good-paying jobs. Also, as a consequence of occupation mismatches, local labor must seek work in more plentiful and diverse employment areas, in particular the CBD which is over 10 miles away for both regional centers.

In summary, cities or regional centers rich in employment relative to the size of their labor force are able to retain a relatively high proportion of their own work force. There is evidence which points to not only balancing the number of jobs and housing, but also the mix (and balance) of occupation and industry growth has to be compatible with the knowledge, skills and aptitudes of its resident work force. There is weak evidence which suggests that the quality of the job or occupation to provide for decent wages plays a role in the jobs and housing issue.

Part B: Regional Employment Attraction Characteristics

In part A we examined where the residents of an employment center go to work. In part B we analyze where the workers of an employment center live. Using the same data source, we tabulate employee's place of residence in 1 mile wide concentric bands around each regional site. For each regional center, we divide the number of employees living in each distance band by the total labor force living in the same distance band.

For our three types of regional employment centers, we expect the following concepts:

- Group 1 - Strong labor force attraction – relatively flat labor attraction curves and long commutes (example: the CBD).
- Group 2 - Moderate labor force attraction – steep labor attraction curves and shorter commutes (example: CTC, Beaverton, and Washington Square).
- Group 3 - Weak labor force attraction – steeper labor attraction curves and shorter commutes (example: Hillsboro and Gresham)

The analysis consists of findings made from estimates of labor attraction and average work trip lengths for each case in order to determine if the data fit the jobs and housing balance concepts. Table 4 presents estimates of labor attraction, and Table 5 illustrates the percentage of the labor force attracted to work in each regional center. Equation estimates in table 4 are obtained from data shown in table 5. Table 6 are the tabulated employment figures to construct average work trip lengths and the work force percentages shown in table 5.

The information in table 4 attempts to quantify the degree of labor attraction in each regional center. In an ideal world, one could take each slope coefficient and rank order the regional centers from low to high and infer the relative ranking of each labor shed size; however, the data are not precise and estimates are subject to varying degrees of variance. The best we can do is generalize the information shown. We observe "natural breaks" in the coefficient sizes. The CBD shows a very flat labor attraction curve and the balanced centers steeper labor attraction curves. The Hillsboro case shows an even steeper labor attraction curve. These results tend to substantiate the jobs and housing concepts.

Table 4

Labor Attraction Equations and Slope Coefficients							
	Group 1	Group 2				Group 3	
	CBD	Tualatin	WA Sq.	Beaverton	CTC	Hillsboro	Gresham
slope	-0.1191	-0.2267	-0.2417	-0.2632	-0.2129	-0.3585	-0.2113
y-intercept	-0.7990	-2.5140	-1.9376	-1.3478	-1.6134	-1.2334	-2.5803
elasticity	-0.6501	-1.2072	-1.3006	-1.3412	-1.1757	-1.8342	-1.1582
jobs-housing balance	19.6	1.5	1.2	1.2	1.0	0.8	0.6
average work trip length	7.0	7.9	6.6	6.4	5.7	6.0	7.4

In theory, job poor and labor force rich regional centers should have steeper slope coefficients. The Gresham case does not. An explanation is found partly from our discussion in part A. We observe that occupation and industry employment opportunities are not available to retain workers living in Gresham, and hence the work force in its immediate labor shed must commute elsewhere to locate employment. This tends to flatten the labor attraction curve as a result.

The labor attraction data shown in table 5 also help mark the size of the labor shed for each regional center. The percentages show the proportion of workers living in a distance band who go to work in a given regional center. As we expect, the percentage of workers attracted from each distance band decays at different rates as the work trip length increases depending on jobs and housing balance.

Table 5

Employment/Labor Force Attraction							
work trip length	Percentage of Work Force in each distance Workers 16 years and over						
	Group 1	Group 2			Group 3		
	CBD	Tualatin	WA Sq.	CTC	Beaverton	Hillsboro	Gresham
1 mile	54.4%	10.0%	17.5%	23.4%	9.6%	19.6%	11.0%
2 miles	32.7%	4.4%	9.4%	14.2%	31.6%	11.3%	3.9%
3 miles	31.0%	5.1%	4.6%	11.6%	10.5%	14.2%	5.8%
4 miles	25.6%	1.8%	5.4%	8.1%	14.3%	9.7%	2.5%
5 miles	22.4%	2.2%	4.6%	5.1%	7.4%	3.1%	1.4%
6 miles	20.5%	2.3%	3.4%	5.0%	4.6%	2.4%	1.8%
7 miles	17.4%	1.4%	2.5%	3.1%	4.2%	6.7%	2.1%
8 miles	15.5%	1.7%	1.8%	2.6%	3.6%	0.7%	1.1%
9 miles	15.4%	1.0%	1.2%	3.1%	2.1%	0.9%	1.0%
10 miles	14.3%	0.9%	1.4%	3.1%	1.1%	1.2%	1.5%
10+ miles	11.3%	0.4%	0.8%	1.7%	1.2%	0.3%	0.5%
jobs-housing balance	19.6	1.5	1.2	1.2	1.0	0.8	0.6

Jobs-to-housing ratios are based on the geography of the regional centers.

Percentages will not add to 100% because they represent employment shares with different denominators that are based on the size of the labor force for each entire distance band around a regional center. The numerator for each distance band is determined by the number of workers for each center who live at each particular distance band.

This is an important result since the jobs and housing balance concept proposes that regional centers having jobs and housing balance will generate shorter commutes. Residents of regional centers tend to work in the same center and now we see that workers in surrounding areas and neighborhoods also have a tendency to be drawn to the regional center work force as the size of the center increases. Hence commuter trips will be shortened to the extent people are employed by regional centers which are close to their home.

We show in table 6 that the work trip length of an employment rich and labor force poor regional center (i.e., group 1) generates an average of seven miles for the one hundred thousand employees working in the CBD. On the other hand, the regional centers having balanced jobs and housing (i.e., group 2, excluding Tualatin) average under seven miles for their work force. This finding tends to add merit to the jobs and housing balance concept.

Table 6

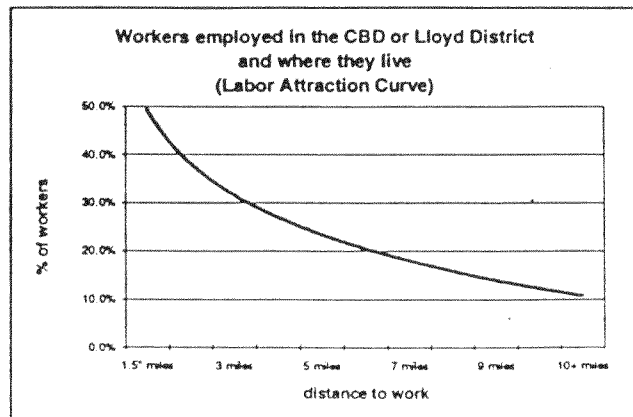
The Number of Workers Employed from each distance band							
work trip length	Workers 16 years and over						
	Group 1	Group 2				Group 3	
	CBD	Tualatin	WA Sq.	CTC	Beaverton	Hillsboro	Gresham
Total	102,891	5,405	11,931	21,904	21,769	5,920	6,508
1 mile	4,630	380	391	2,303	1,059	1,319	469
2 miles	7,594	114	1,753	1,194	4,840	373	324
3 miles	9,395	653	1,061	3,154	2,154	605	1,406
4 miles	12,160	66	1,376	1,995	3,983	531	242
5 miles	10,106	458	1,419	1,513	1,110	280	234
6 miles	8,289	559	748	2,401	1,144	273	352
7 miles	8,398	423	1,045	1,623	1,310	835	295
8 miles	6,667	405	478	1,639	1,303	117	331
9 miles	8,955	280	676	1,126	777	107	381
10 miles	5,484	412	676	1,025	439	222	521
10+ miles	21,213	1,655	2,308	3,931	3,650	1,258	1,953
avg. work trip length	7.0	7.9	6.6	6.4	5.7	6.0	7.4

At this point, we take a closer look at the jobs and housing concepts and in particular reasons behind labor attraction and work trip lengths for each kind of employment center.

Group 1: High employment opportunities; Low number of resident work force.

We expect the coefficient on the labor attraction curve for the CBD to be significantly less steep as compared to the labor attraction coefficients of other regional centers. The reason behind this position is the huge labor force deficit which exists for the central business district (and Lloyd Center district). In order to satisfy its surplus employment demand, the CBD must draw from a much broader labor shed than any of the other regional centers. The result is an increase in the average length of the work trip of workers employed by the CBD.

Chart 3



The estimate (see table 4) of the CBD's labor attraction coefficient shows a significantly flatter slope than any of the other regional centers. As chart 3 shows, workers living closer to the central city have a greater chance of going to work in the CBD, but as work trip distances increase this probability decays slowly. Even at over 10 miles,

nearly 10 percent of workers living in households inside the 10+ miles circumferential band choose to (or is attracted to) go to work in the CBD.

This suggests that extremely employment rich regional centers will draw workers from significantly longer distances, thus raising the average trip length of all workers employed by the CBD. The economic characteristics of the CBD include strong agglomerative forces, numerous and diverse job opportunities, and a highly centralized business location which combine to make it a strong employment magnet. The average trip length of workers holding jobs in the CBD is calculated at about seven miles.

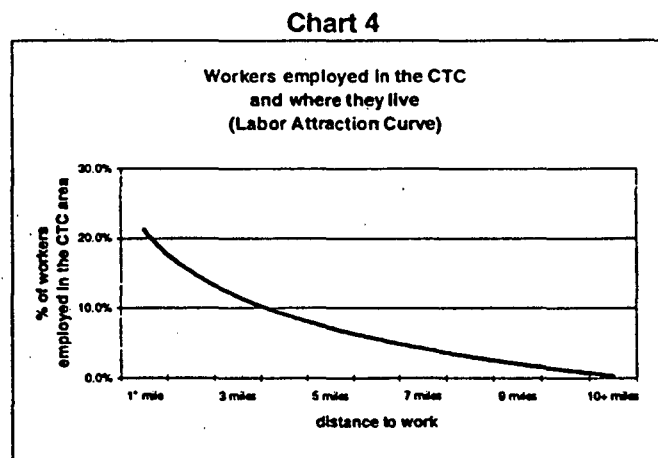
We attempt to generalize the analysis. We have tested different geographies and definitions of the CBD and Lloyd district. In general, we conclude that regional centers that have jobs-to-housing ratios greater than 10-to-1 have a very high likelihood of increasing the average work trip length of the worker force residing in the region. More analysis needs to be done to refine this resulting estimate.

Group 2: Jobs-to-Housing Balance

The labor distribution curves of balanced regional centers show a high degree of labor force retention. Turning to workers hired from outside regional centers, estimates of the labor attraction curves illustrate that balanced centers have less regional attraction and tend to promote shorter work trips on average. The slope coefficients for each of the labor attraction curves are steeper than employment-rich and labor force poor regional centers as the concepts suggest. The coefficients estimated (see table 4) for balanced centers indicate that they exert less attraction for workers from long distances.

The average journey-to-work (excluding Tualatin) is about six miles as compared to the seven mile average trip length for CBD employees.

Chart 4 is an example of a labor attraction curve for one of the balanced regional centers in this case study. In particular, it is the labor attraction curve for the Clackamas Town Center regional site.



As before in the analysis of employment distributions, the Tualatin case is an exception that does not conform to the proposed concepts. As you may recall, less than 11 percent of the labor force residing in the Tualatin center actually stayed in the home

center when it came down to work, thus generating a very high average work trip length for Tualatin residents. Likewise for most workers employed in Tualatin, they live well outside the center. Fifty-eight percent live over seven miles away and their trip length averages 7.9 miles.

Two factors appear to explain the Tualatin anomaly. These are 1) Tualatin is a smaller regional center, and 2) the occupation mix of its own resident labor force leans toward managerial and professional jobs while its labor demand favors production, assembly and unskilled labor. Since the pay for these jobs are somewhat lower, Tualatin may have to cast a wider net to attract workers to fill its own positions which in turn increases the average work trip length of all workers employed in Tualatin.

In summary, a steeper slope coefficient means that balanced employment centers have a smaller labor shed. This differs from a CBD because the labor force requirements of balanced centers are better met by the nearby labor force. Other things being equal, workers will pick jobs closer to their place of residence.

However, this is not always so. As in the case of Tualatin when other things are not equal as in the situation of incompatible occupation and industry mix between the supply and demand for labor, this fundamental economic condition forces workers to seek employment elsewhere in the region resulting in longer work trips. No regional center is likely to completely satisfy the occupation and industry supply and demand, so there will always be workers commuting to jobs in regional centers further away (such as the CBD).

According to the jobs and housing balance concepts, we said that labor attraction in balanced regional centers should decline fairly quickly with respect to distance from home to work (i.e., workers will tend to choose jobs closer to home, other things being equal). We expect the slope coefficient with respect to distance to be steep and negative. Three of the four regional centers in the balanced jobs and housing group conform to this.

Group 3: Few employment opportunities; Large resident work force

These are the regional centers that are job poor and labor supply rich. As such they are the most likely type of centers affected by a jobs and housing balance policy. There were two areas chosen in this case study; the cities of Hillsboro and Gresham were selected. Hillsboro represents the classic example of a labor-rich regional center which exceeds the number of job opportunities. For people working in Hillsboro, the average work trip length is 6 miles. (As shown by the employment distribution of people who live in Hillsboro, their travel length averages 7.1 miles.)

On the other hand, people who work in Gresham have one of the longest average work trip length of 7.4 miles. Despite being labor force rich, 90 percent of Gresham jobs are filled from outside the immediate labor shed. At present there appears to be a

substantial mismatch between the skills and wages required and offered by employers in the Gresham area and the surrounding labor force. For some as yet not fully understood reason, the vast majority of workers employed in this centers originate from locations as far away as over 10 miles. As a result, Gresham workers have the second longest commute in the region. (Gresham residents also have the second longest commute at 7.7 miles, see employment distribution, table 2.)

4. Preliminary Conclusions

A policy directed at balancing jobs and housing is more likely to be aimed at boosting employment opportunities in geographic areas (or regional centers) where the number of workers in the immediate labor shed exceeds the number of jobs. We found some limited evidence supporting the jobs and housing balance concept as an instrument for promoting shorter work trips for workers in this region.

This case study showed that workers employed in the CBD traveled an average of seven miles to work from across the entire regional labor shed; whereas, workers holding jobs in balanced regional centers (with the exception of Tualatin area employees) had an average commute distance closer to six miles. The difference between the two groups of employment centers is about one mile. Taken individually this may not seem like a significant savings in vehicle miles traveled, but summed across all 800,000-plus employees in the region, this difference could add up to significant mileage reductions in the journey-to-work for any particular time frame.

It is important to emphasize that the early findings revealed that the sheer numeric balancing of jobs and housing is not enough to make the jobs and housing balance concept a successful policy instrument. We showed that exceptions to the jobs and housing balance "rule" existed, namely in Tualatin. The results showed that the journey-to-work distances of the average worker in this regional center is unusually high as compared to its contemporaries. More importantly we found differences in occupation and industry mix to be a possible factor in determining job choice in the context of jobs and housing. This finding alone is an important warning or caution to not blindly adopt a simple jobs and housing balance criteria.

The evidence suggests that it is not just only the quantity of jobs and the quantity of housing that matters, but the type of work force and the kind of jobs which matter too. Businesses are attracted to a skilled work force and people are drawn to "family-wages" or good paying jobs. The mix of occupations and industry jobs and the supply and demand for labor play a decisive role in whether the jobs and housing balance concept results in shorter trips. Downtown Beaverton and the Clackamas Town Center appear to be successful in retaining/attracting a significantly high percentage of their own workers within a 3 to 4 miles radius. We believe that the more diverse occupation mix and greater number of jobs in Beaverton and CTC are principle factors. With this in mind, public

policy focused only on job numbers will probably fall short of targeted goals. The type of jobs (occupation and industry mix) matters too.

The type and size of various occupations within a certain geographic area (such as a regional center) are determined by a number of factors. The single most important is the industrial composition of the region's economy. Different industries have vastly different occupation requirements or mix. For example, manufacturing industries need large numbers of skilled fabricators and other skilled laborers. Service firms, meanwhile, may need relatively few skilled workers (as in the case of retail or fast food) or a great deal of training and education (such as for engineering, medicine, or software development).

Occupational requirements can be further magnified (or muted) by other factors. First, different production techniques or variations in the types of goods and/or services a company sells determine the type of jobs. Differences in the age of a plant, extent of automation, and the strength of unions all have an impact on the occupational structure or mix of an individual firm or an industry.⁹

On the other hand, we showed that employment centers over emphasizing employment over housing (as in the CBD) will generate very short commutes for only individuals who can live in its immediate labor shed. Unfortunately, these workers represent but a small fraction of the total work force. The remainder of the workers are hired from elsewhere in the region. Consequently, taking the entire employed work force, the overall average work trip length generated by such a development pattern is very high.

Growth in the Central Business Districts and the Lloyd Center locations appear to increase the average work trip length of workers living in the region because they are powerful employment magnets which attract workers from across a wide labor shed that stretches north to Vancouver, south past Tualatin, east to Gresham, and west to Hillsboro. The clear advantage of the CBD is its diverse job opportunities, relatively higher paying wage and salaried positions, and its greater number of jobs.

On the opposite end of the employment center spectrum are areas in the region which are job poor, but housing rich. In fact these are the areas in the region which supply workers for the labor force poor regional centers. These are geographic areas in which jobs and housing policy could produce significant gains. There is a significant percentage of these residents who do find work close to home, but the remainder must seek employment outside in other regional employment centers. Areas like this have their own set of commute problems. Places like Gresham have one of the longest average work trip distances as a result of its surplus labor force dimension.

One of Gresham's main problems with respect to journey-to-work trips is the apparent mismatch between what residents offer in terms of skills and occupation aptitudes and the occupation requirements employers demand. On the other side, Hillsboro workers enjoy a

⁹ Regional Economic Profile, Region 2, 1993, Oregon Employment Department

shorter average commute. We cited, for example, the industry mix (high-tech and government) and occupations (managerial, professional and technical jobs) which seemed to offer an explanation for why Hillsboro seems more successful in retaining and attracting workers closer to home and work.

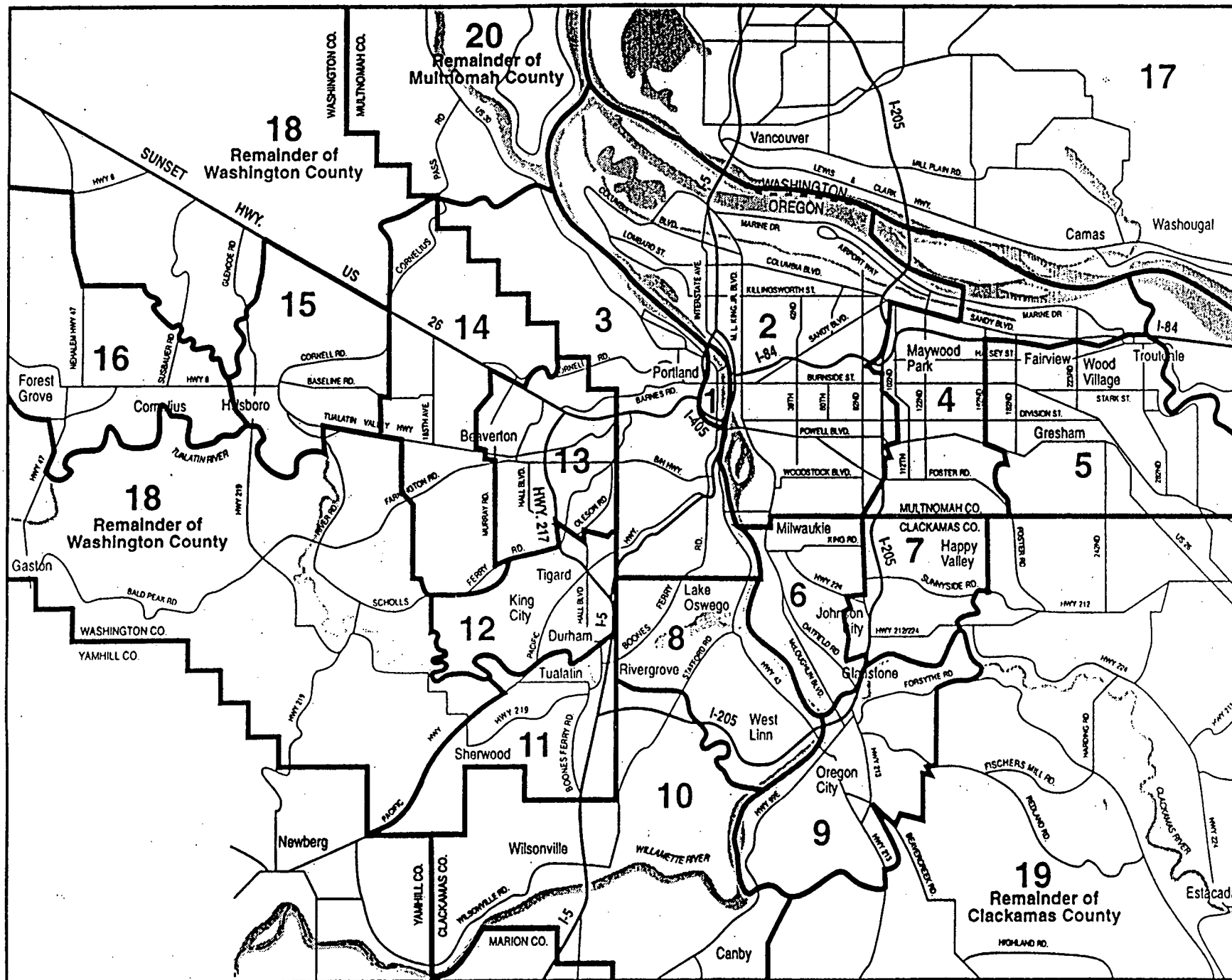
Here are some additional thoughts. . . In the short run, most households do not usually re-locate their homes to a new location within the same region solely on the basis of a change in job choice. The cost of moving would tend to make changes in residential location prohibitive, as well as other factors such as schools, shopping, and other neighborhood amenities. In the long run, workers (or households) will slowly choose to locate closer to where job opportunities are made available, other things being equal. However, other things are generally not equal. Where people pick to live intraregionally is not always based on employment opportunities, but also on environmental amenities. Crime, neighborhood and community affinity, schools, parks and recreation, age and size of homes in the area, income and cost of homes influence peoples locational choices. Perhaps where government can best utilize its limited market clearing force is to encourage construction of popularly desirable and affordable housing plus development of environmentally desirable amenities near where businesses choose to locate.¹⁰

It is conceivable that local governments can help create the desired environmental and neighborhood amenities which private enterprises have shown an inability to adequately address. It is these externalities which local governments can have some hope of success. This is where public policy can make a difference and is the direction attention should be focused in the debate towards jobs and housing balance. Government has the ability to shape externalities and other environmental qualities that markets do not have the ability to supply.

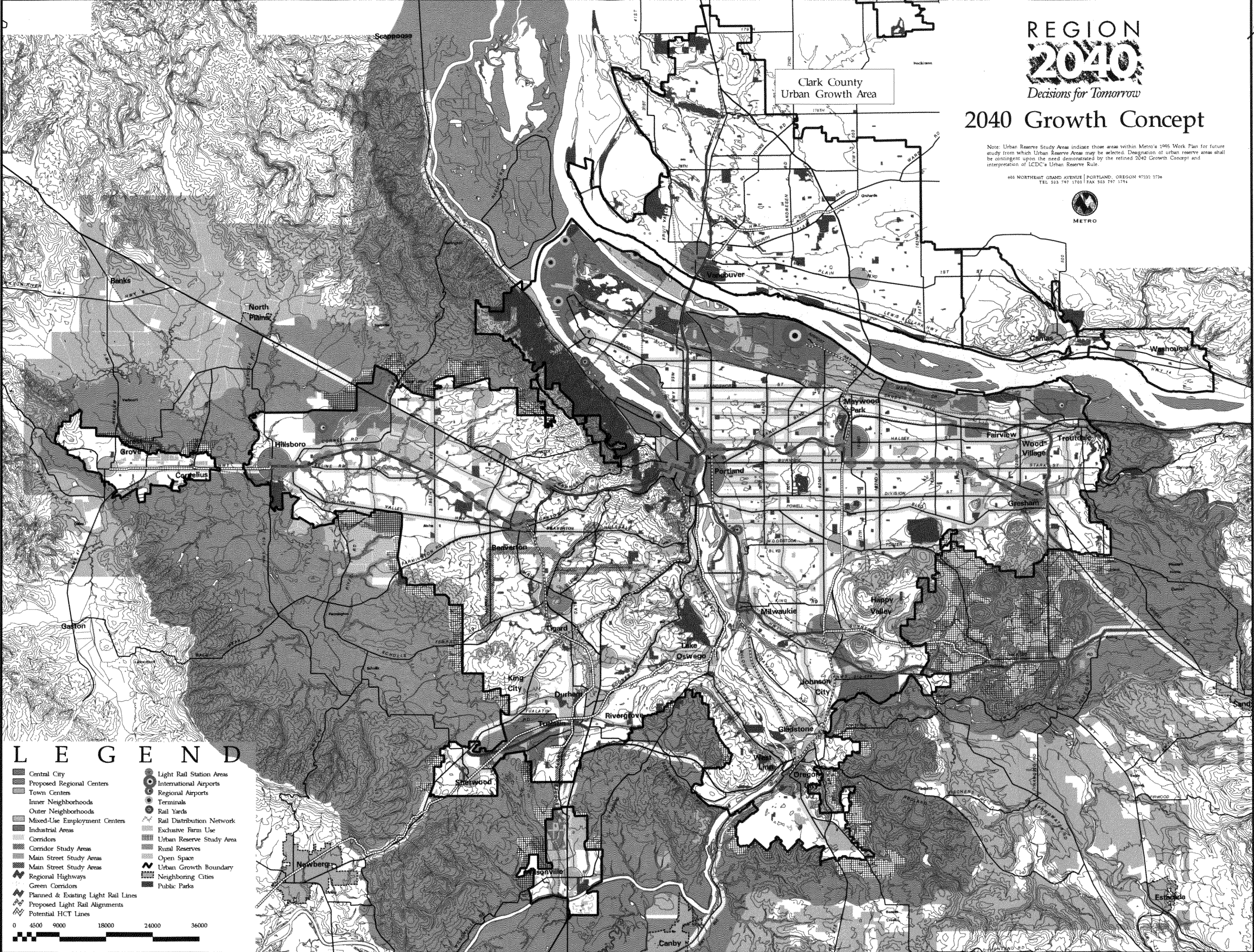
Perhaps the direction that public policy should be directed in order to bring about jobs and housing balances in regionally designed centers is to help direct the development of community amenities that promote crime-free zones, special parks and districts that create safe places for families to live, and aim housing policies to give incentives for private development of affordable housing. Government should help build neighborhood cohesiveness and in so doing will strengthen the quality of the work force and draw businesses to locate and invest in commercially zoned areas in and around these neighborhoods.

¹⁰ (a) Ogawa, Hideaki and Masahisa Fujita, *Equilibrium Land Use Patterns in a Nonmonocentric City*, Journal of Regional Science, Vol. 20, No. 4, 1980

(b) Tabuchi, Takatoshi, *Dynamics of Urban Land Use: Sequential Location of an Office Firm and Residence*, Journal of Urban Economics, Vol. 28, pp. 87-102 (1990)



Special Meeting
1-23-95
Handout #2/2
S-1



REGION
2040
 Decisions for Tomorrow

2040 Growth Concept

Note: Urban Reserve Study Areas indicate those areas within Metro's 1995 Work Plan for future study from which Urban Reserve Areas may be selected. Designation of urban reserve areas shall be contingent upon the need demonstrated by the refined 2040 Growth Concept and interpretation of LCDC's Urban Reserve Rule.

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LEGEND

Central City	Light Rail Station Areas
Proposed Regional Centers	International Airports
Town Centers	Regional Airports
Inner Neighborhoods	Terminals
Outer Neighborhoods	Rail Yards
Mixed-Use Employment Centers	Rail Distribution Network
Industrial Areas	Exclusive Farm Use
Corridors	Urban Reserve Study Area
Corridor Study Areas	Rural Reserves
Main Street Study Areas	Open Space
Main Street Study Areas	Urban Growth Boundary
Regional Highways	Neighboring Cities
Green Corridors	Public Parks
Planned & Existing Light Rail Lines	
Proposed Light Rail Alignments	
Potential HCT Lines	

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MULTNOMAH COUNTY OREGON

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MEMORANDUM

TO: Chair Beverly Stein
Vice-Chair Sharron Kelley
Commissioner Gary Hansen
Commissioner Tanya Collier
Commissioner Dan Saltzman

FROM: Carrie Parkerson *Carrie*
Office of the Board Clerk

DATE: January 24, 1995

SUBJECT: JANUARY 23, 1995 SPECIAL MEETING/PUBLIC HEARING

Please find attached copies of public testimony submitted by various speakers at the Special Meeting last evening. Some of these were already provided but others were not. This is to insure that you have copies of all those submitted.

cc: Sharon Timko



CITY OF

PORTLAND, OREGON

Special Meeting
1-23-95
Handout #5
Gretchen Kafoury, Commissioner
1220 S.W. 5th Avenue
Portland, Oregon 97204
Telephone: (503) 823-4151

Strategic Investment Tax Breaks

Comments to the Multnomah County
Board of Commissioners

Commissioner Gretchen Miller Kafoury
City of Portland

January 23, 1995

Thank you for the opportunity to testify. I want to compliment you for giving the public and local officials a chance to be heard before you develop the County policy on tax abatements.

I am generally opposed to giving tax breaks to lure big businesses. I am not convinced they create the high-quality jobs which are usually promised. They don't necessarily create jobs for unemployed people who live in Portland now. They are unfair to other businesses and taxpayers. I don't believe we need them to have a healthy economy in the Portland metropolitan area.

Enterprise Zone Tax Abatements

The City now gives Enterprise Zone tax abatements. These tax breaks are an incentive for businesses to hire or retain unemployed and underemployed residents of Northeast Portland.

Since 1989 the City has given away a total of ⁴~~\$499~~ million in the form of Enterprise Zone abatements. This includes \$740,000 of revenue that would have gone to Multnomah County and just over \$2 million that would have gone to schools. An estimated \$25 million more in exemptions have been pre-certified. This \$25 million includes about \$6.8 million which would be revenue for Multnomah County and \$8.3 million which would go to the state school fund.

I do support the idea of providing incentives to businesses to hire Portlanders who need good jobs. But I am not convinced that we are getting our money's worth. There has been no independent evaluation of the program. I have voted against the Enterprise Zone abatements the City offers.

The City Council has adopted an interim policy guiding our Enterprise Zone abatements. I have asked the staff to include representatives from Multnomah County in drafting the final policy. I have also asked that the state law which authorizes these abatements be changed to assure Multnomah County has a voice in setting standards for granting these abatements.

Strategic Investment Program

Local officials must be very clear about why we would grant tax breaks to big business. Is the goal to bring outside wealth into our area? To support a specific industry we deem desirable? To encourage general economic and population growth? Or is the goal to create jobs for unemployed people from low- and moderate-income households who are now in Portland?

Here are my specific concerns about adding yet another tax break program to the community:

1. The Portland area is growing plenty fast enough without having to lure big factories that don't want to pay their share of taxes.

People are moving to our area because it's a great place to live. They seem to be finding jobs -- the unemployment rate is the lowest it has been in over a decade.

Population growth is fueling the astronomical growth in housing costs. The National Association of Home Builders recently found Portland to be one of the least affordable housing markets in the nation.

Our challenge is to carefully manage this natural growth. We will need tax revenue to do this.

2. Tax breaks for big businesses shifts the tax burden to homeowners and small businesses.

Someone has to pay for our schools, streets, bridges, fire and police departments. The 1990 Measure 5 has already shifted the property tax burden from business to homeowners. Abating property taxes for big business merely continues this trend.

If we grant these big abatements, it is likely that homeowners and other businesses will actually end up paying more taxes than they would otherwise! Few people

understand this. If and when we are no longer under rate compression, home owners' taxes will be higher than they would be if the abatement were not in effect.

We must be careful what we ask tax payers to support. Voters recently approved general obligation bonds to improve Portland parks and build the light rail. The schools and Metro will be asking next. These are taxing measures I support. Further shifting the tax burden to home owners will jeopardize our ability to get approval for projects like this.

3. Industries will play communities and states against one another.

"Because everyone else is doing it" is exactly the wrong reason to grant an abatement. Let's remember that workers who move to Portland for a new job leave some other community where jobs are also needed.

State and local officials should form alliances, not underbid each other for the next big project. I support a metro-wide agreement that would share the costs and benefits of any granted abatements among all local governments.

Conditions for Any Proposed Abatements

If you decide to offer tax abatements, I strongly urge you to consider these conditions:

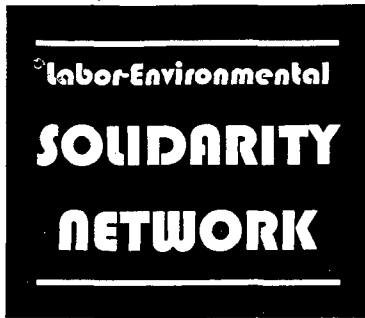
- 1. Jobs must pay living wages and provide good benefits.** We don't need more jobs that pay close to the minimum wage. Employees need decent health and retirement benefits.
- 2. The firms should hire people who are here now and who need good jobs.** Hiring should focus on neighborhoods that have high rates of unemployment, including Northeast Portland. This will likely require that someone help pay for transportation, training, and child care.
- 3. The companies must pay the full cost of community impacts.** State law allows you to collect an annual "community service fee" of 25% of the abated taxes, up to \$2 million. If \$2 million per year is not enough, the law also allows

you to negotiate other reasonable requirements.

Any increased costs for roads, sewers, water, police, fire, schools, etc. must be paid by the company which gets the property tax break.

4. **Special attention must be paid to impacts on housing.** You may want to require housing for workers to be subsidized, especially any who come from outside the region. The City just created a \$4 million Housing Investment Fund. The Fund will help us create affordable housing and contain housing costs. Perhaps you would like to become our partners in the Housing Fund by requiring a contribution from any companies granted tax abatements.
5. **The conditions for the abatement should be established and evaluated by independent parties.** The PDC and State Economic Development Office are both evaluated by the number of firms they recruit and number of jobs they claim to have created or retained. I recommend that you look to other parties to structure your final agreement. You may want to consider yet another party to conduct regular audits to assure promises are kept.
6. **There must be penalties if promises aren't kept.** The abatement should cease and penalties collected if agreements for quality jobs, benefits, and other community benefits aren't kept.

Again, thank you for the chance to comment on this important issue.



- working together -

Special Meeting
1-23-95
Handout #6
S-1

**Testimony of
David A. Mazza
Chair, Labor-Environmental Solidarity Network
Before the Multnomah County Board of County Commissioners
On January 23, 1995**

As an organization which seeks to promote an ecologically-sustainable, economically-just society, the Labor-Environmental Solidarity Network is deeply concerned about the growing reliance by local governments upon the use of tax abatements and other public subsidies to large corporations in order to create new jobs within the community. We have seen your counterparts in Washington County, and the City of Portland sign away enormous amounts of future revenues to Intel, Kantu, and others with little analysis of the impacts of such actions. Those elected bodies have joined the growing ranks of local governments engaged in a destructive bidding war for corporate favor - a war in which the laurels of victory are more apt to be depressed wages, a gutted revenue base for basic services like schools and public health, and a deteriorating environment.

This is not an alarmist scenario. We have only to look at those states which have signed onto the corporate welfare theory of economic development to see the effectiveness of this strategy.

Louisiana's Industrial Property Tax Exemption Program, according to a three-year study conducted at Tulane University, disbursed \$2.5 billion in tax breaks to companies who subsequently cut payrolls by 8,000 jobs. Nearly one-third of the companies receiving tax

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breaks created no new jobs, and 11 percent created fewer than 10 new jobs each. The state, furthermore, saw a significant decline in its economy and environment, winning last place for economic and environmental quality in a 1994 analysis by the Institute for Southern Studies.

Supporters of the corporate welfare strategy will tell you that Oregon is not Louisiana, and that this strategy will encourage clean companies that will enhance our state's environment as well as its economy. Unfortunately, these supporters offer little in empirical evidence and much in wishful boosterism to support that claim.

You have heard, or will hear, testimony this evening from organizations representing the interests of the community and of working people about the negative economic impacts which the corporate welfare strategy will have on Multnomah County. The Labor-Environmental Solidarity Network agrees with their analysis. We would, however, like to briefly raise questions this evening about the other half of the strategy - the impacts this strategy will have on our environment.

That high tech industries are clean industries have reached the level of a mantra amongst elected officials and economic development officials. While Fujitsu, Intel, SEH America and others may replace smokestacks with pleasant-looking industrial parks, these industries are far from impact-neutral upon our environment and natural resources.

Let's look at water use. Our limited water resources currently face growing demands from a variety of sources - human consumption, industrial use, and habitat maintenance to name only a few. The corporate welfare strategy would attract a type of industry whose water use runs second only to such traditional users as the aluminum industry. Fujitsu is the largest user in Rockwood PUD's system. Intel and Tektronics rank as the Tualatin Valley Water District's biggest users, while Wacker Siltronic is Portland's second biggest water user. All these companies are drawing from our Bull Run system.

Water quality is also an issue. In Austin, Texas, where high tech firms were viewed as

the keystone to economic development, citizen groups began discovering that companies like Motorola, Apple Computer, and others were posing serious health risks for people working within the plants as well as the neighboring communities due to the use of highly toxic solvents and compounds necessary in production. Many of the companies lured to Austin were relocating from California's Silicon Valley - companies responsible for the toxic sites there targeted for federal Superfund cleanup.

Air quality is another area of concern. Electronics firms may not have smokestacks, but they are far from emission free. The Oregon Department of Environmental Quality requires any company that emits more than 40 tons of volatile organic compounds annually to prepare a toxic emission reduction plan. The high tech companies currently here and those being sought out haven't cross that 40 ton line yet, however, these operations are producing emissions that press the DEQ threshold. Intel currently emits 33 tons of volatile organic compounds per year. The Aloha Intel alone produced 15 tons. IDT produces between 30 and 37 tons annually. Clearly, the cumulative effects of drawing more high tech plants and expanding existing ones - all operating near the upper emission limits - suggests a serious impact upon the quality of our air shed.

So, should the current tax abatement system and other forms of corporate welfare be adopted by Multnomah County? Our organization believes this strategy's lack of effectiveness in producing jobs, and the proven record of economic, environmental and community damage it causes is grounds for a rejection by this board.

Should tax abatements ever be used for economic development? We believe the evidence clearly suggests that corporate welfare is a tool to be used sparingly, if at all. More importantly, we believe that tool needs to be dramatically redeveloped.

What should be done?

First of all, clear criteria should be developed for companies to qualify for corporate welfare. A good starting point is the AFL-CIO's Business Accountability Standards requiring adherence to existing labor, environmental, health, and safety regulations, neutrality in workplace organizing, and other community values. Additional criteria should include an examination of the company's past performance - here and elsewhere - and a rejection of eligibility wherever a pattern of abuse or avoidance of compliance appears. Proactive environmental quality criteria should also be attached. Implementation of toxic reduction plans regardless of current emission status, water conservation programs, stringent recycling programs, and energy conservation activity should all play an important role in deciding who qualifies for public dollars.

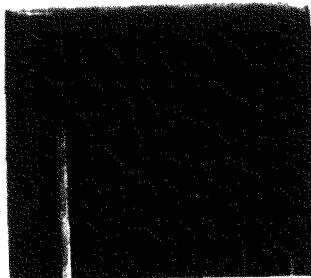
Tax abatements and other public assistance for corporations should require serious clawback clauses, recovering the full abatement and penalties should the recipient company renege on any of its promises.

Full cost analysis of the impacts to the community and its environment should be conducted before any consideration of awarding corporate welfare benefits.

Lastly, an open, democratic process, providing full public participation in the weighing of all these factors, must be part of any public subsidy strategy.

Will this make current economic development practices more difficult. Undoubtedly. But we must remember that making corporations happy is not the point. Building a community and environment which benefits the working people who make this economy run is your mission.

Thank you.



COMMENT

Are corporate tax breaks really helping the community?

On Jan. 23, the Multnomah County Board of Commissioners will consider the merits of tax abatements as a tool for creating jobs. The hearing comes in the wake of Fujitsu Ltd.'s demand for a multimillion-dollar tax break to subsidize a \$700 million to \$800 million

plant expansion. If it doesn't get the tax break, it threatens to move the business to Fujitsu's England plant instead.

On Tax Abatements

Dave Mazza

plant expansion. If it doesn't get the tax break, it threatens to move the business to Fujitsu's England plant instead.

With SEH America Inc. and other high-tech firms joining Fujitsu in the same corporate welfare line, there'll be considerable pressure on the commissioners to follow the path taken by Washington County, Portland, and local governments across the country are being drawn into bidding wars over the promise of new jobs.

Corporate tax abatements do create jobs. Clearly, those in the building trades will benefit by plant expansions, and some peo-

ple will gain permanent employment within the plants. But the question county commissioners and all members of the community must ask is whether freely handing out public dollars and other public incentives—often with no public discussion or analysis—represents the best way to create living wage jobs. In short, are working people and their communities getting the most for the future dollars handed to multinationals?

The evidence supports a firm "no" for an answer. In Louisiana, for example, the Industrial Property Tax Exemption Program—granting up to 10 years of tax abatements to new or expanding companies—produced exactly the opposite of what was sought. According to a three-year study conducted at Tulane University, Louisiana handed out \$2.5 billion in tax breaks to companies who subsequently cut payrolls by 8,000 jobs. Nearly one-third of the companies receiving breaks created no new jobs, while only 11 percent created more than 10 new jobs each.

Louisiana, like Oregon, poured public dollars into a few volatile industries. In return, Louisiana received the worst economy and environment status by a 1994 Institute for Southern Studies report.

The risk communities run in playing the corporate welfare game goes beyond a failure to get as many jobs as promised. By spending potential tax revenues with the abandon of a drunken sailor, local governments are bankrupting their communities' futures.

Alabama, another state which has relied heavily on tax abatements to create new jobs—granting Mercedes Benz over \$300 million in incentives in 1993—wooled corporations at the expense of their children's future. The state's shrinking property tax pool has driven the Alabama school system to a point where it can no longer provide basic services, violating the state's constitution, according to a recent court ruling.

A Louisiana Citizens for Tax Justice study found industry tax breaks were costing Louisiana's K-12 schools \$100 million a year, creating school district deficits and teacher layoffs.

Should Oregonians support tax abatements to create new jobs? Some, like Portland Jobs with Justice, believe tax breaks have proved to be a failure. Top-down economic stimulation should be replaced by bottom-up economic development—public works, an increased minimum wage, support for local enterprises, and other grass roots tools. Even

among those who believe tax abatements can serve a limited purpose, there's a growing sense that controls which have been lacking thus far must be put in place.

One place the Multnomah County commissioners can start is with the AFL-CIO business accountability standards, imposing such basic criteria as compliance with equal opportunity laws, prevailing wages, neutrality in employee organizing campaigns, and adherence to child labor, and wage and hour regulations. Add full-cost analysis of proposed abatements, democratic decision-making with full public participation, and strong "clawback" clauses canceling the abatement and imposing penalties when corporations renege, and rationality begins to return to a very irrational process.

The most important message county commissioners can hear on Jan. 23, however, is that economic development is not about making corporations happy. What the commissioners and our other elected officials must remember is that the ultimate goal of any economic plan must be the welfare of the working people who make that economy run.

Dave Mazza chairs the Labor-Environmental Solidarity Network, a member organization of Portland Jobs with Justice.

Special Meeting
1-23-95
Handout #7
J-1

Proposed Criteria for Eligibility for Multnomah County Tax Abatements

Given Portland's general economic good health and continuing growth, tax abatements should not be used to attract or support businesses that simply provide "more jobs". Instead, the incentive of public dollars should only be used to meet much more ambitious goals including: decreasing the polarization of income among county residents, protecting/enhancing the natural and built environments, revitalizing neighborhoods that have high concentrations of poverty, investing in the existing human capital that is our most valuable asset, and building a sustainable regional economy for the long term.

To this end, I propose using the following criteria (in addition to fiscal health and long-term success prospects) to evaluate whether a business should be considered for tax abatements:

A. Decreasing Poverty/Polarization of Income

- Will this business hire local people for upper level positions as well as entry level? (the law, as I understand it, requires that 75% of the workers be local hires)
- Will this business pay a family wage to all of its workers?
- Will it provide health benefits at least equal to those provided by the Oregon Health Plan to all of its workers?
- Will it employ primarily full time workers (making allowances for job-sharing and flex-time options for employees requesting them if relevant, but not using a pool of part-time people without benefits that cannot support themselves on their wages)? — have to look at Contracted and Temp work used too.

B. Protecting/Enhancing the Natural and Built Environment

- Does this business use ecologically sustainable practices (use renewable resources and recycled materials, recycle its own materials, produce wastes that are recycled and/or which do not pollute the environment, etc.)
- What will the physical impact of this business be on the community in which it locates (noise, smell, traffic, safety issues, pollution, design, impact on greenspaces, etc.)

C. Supporting/Revitalization of Existing Communities

- Will the business locating in the proposed site aid in the development of a more compact urban form, with jobs and housing located fairly close together, and linked by public transportation that serves those of limited means as well as moderate and high-income people?
- Will this business make the community in which it is located a more desirable place to live, work, shop, etc., or a less desirable place to do so?
- Will this business be located in an area of concentrated poverty?
- If so, to what extent will the money invested and spent by this company circulate in the community (well paid local employees, use of local services and products, etc.)?
- Will it help revitalize the community over the long-term (see A and B above, and D and E below reading "local" as within the community in question)

D. Investing in Human Capital

- Will this business provide entry level jobs with a future for local residents?
- Will they train entry-level workers for higher level jobs?
- Do the jobs they provide encourage people to learn and develop?
- Will the people who work for them be more competent, more employable by others, if and when they leave this business?

E. Building a Sustainable Regional Economy

- Does this business have a long-term commitment to the region? Does it have strong reasons to stay here, or is it highly mobile and therefore likely to leave if it thinks it can make higher profits elsewhere?
- Will this business buy a high percentage of its supplies and needed services from local companies?
- Will this business invest its resources and profits in the region or will it siphon these off and invest them elsewhere?

• In order to receive a tax abatement from Multnomah County, a company should have to rate high in all of these categories. In addition, companies being given tax abatements should be required to:

- make a commitment in writing to the county to 1) stay at the location for which they received the tax abatement for at least 30 years (subject to negotiation in cases of expansion within the county), 2) provide a generous severance package to workers displaced because of their closing their plant for any reason other than bankruptcy, and 3) donate the physical plant and equipment to a corporation made up of the workers they would be displacing or to a governmental organization that wants to continue to run it as a business if they choose to close the property due to "lack of profitability".
- stay neutral in all labor organizing efforts, and
- replace, unit for unit, any housing affordable to people living at or below 80% of area median income that is destroyed by their physical plant or infrastructure created to serve their physical plant.

A few other comments:

- It would be strongly preferable to set a policy about tax abatement criteria on a regional rather than a county level. Competition between counties for industrial development encourages bad planning and the concentration of poverty.
- It is essential that siting decisions for all large industrial plants be consistent with the Region 2040 plan.
- The total costs associated with the arrival of new businesses must be assessed before the County can decide when, and if, a tax abatement is good fiscal policy, those costs include infrastructure of all kinds -- greenspaces, schools, waste treatment, police services, subsidized housing, etc. as well as the costs of mitigating any negative environmental and human health impacts.
- If government is going to use tax abatements as a strategy for supporting/attracting businesses, it is distressing that it is only very large companies that are eligible for tax breaks. It might be worth exploring a policy (it would, of course, have to be done outside of HB 3686) that would allow the county to invest (via tax abatements) in the health and expansion of smaller or local businesses located or relocating to Multnomah County if they met the above criteria and looked likely to act as an economic booster for the region.

Mark Koenig
Division Director

Special Meeting
1-23-95
Handout #8
S-1



January 23, 1995

Honorable Beverly Stein
Multnomah County Commissioner
Portland Building, Room 1410
421 SW 5th
Portland, OR 97204

Dear Chairman Stein:

I wish to express enthusiastic support in providing incentives for businesses seeking to expand or locate in Multnomah County. It is our belief that a large number of corporate citizens adds value in assisting efforts such as work force development, education, and reduced tax liability for all of us.

As a Multnomah County corporate entity, it will help us in future growth opportunities as well as send a positive message to other businesses seeking to locate or expand in Multnomah County.

I would encourage the Multnomah County Commission to immediately begin a policy implementation process. We respect your desire to craft a policy that meets the needs of all the citizens of the community. It is my belief that if created in a collaborative manner, such policy can create thousands of jobs for our citizens, raise public support dollars and lower all of our tax burden on the first \$100 million, and bring more corporate representation in business and community services, thus enhancing our community quality of life.

Sincerely,

Mark Koenig

Mark Koenig
Division Director

WESTON PONTIAC BUICK GMC

January 23, 1995

Jerry Gillham
Executive Director
Gresham Area Chamber of Commerce

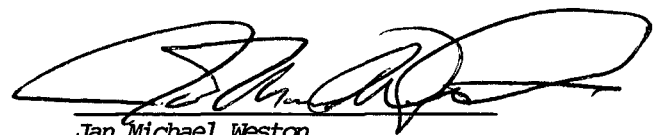
Dear Jerry;

We have thoroughly discussed the local impact of H.B.3686, should it be adopted by Multnomah County.

At first glance there appears to be some inequity, but after considering the big picture, we believe that it is imperative that our county commissioners approve it immediately.

It is now past time for Multnomah County and the City of Gresham to assume a leadership role in creating new jobs in our area.

We and our #96 employees are behind you in your endeavor to have H.B.3686 implemented in Multnomah County as soon as possible. Let us know what we can do to help.



Jan Michael Weston
V.P.
G.M. Fixed Operations



Jay B. Weston
V.P.
G.M. Sales & Marketing



Jim Weston
President

Carl W. Atkins, CPA, CMA, MBA

Certified Public Accountant
West Gresham Professional Building
655 West Burnside, Suite 5A
Gresham, Oregon 97030
(503)665-0359

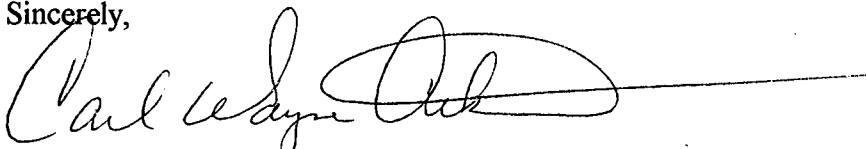
The Honorable Beverly Stein:

I would like to express my opinion, as a small business owner, as to Multnomah County supporting a policy which would create tax incentives to new businesses in the Gresham Area.

Such provisions allow for the creation of jobs and therefore, economic development in the area and in turn provides for additional revenues to businesses, state, county, and local municipalities in the Gresham Area.

I therefore urge you to move swiftly in providing such a policy. Any tax incentives will be more than offset by the economic impact of new business in the Gresham community and its surrounding areas.

Sincerely,

A handwritten signature in cursive script, reading "Carl Wayne Atkins", followed by a long horizontal line extending to the right.

Carl Wayne Atkins, CPA, CMA, MBA
Certified Public Accountant

Special Meeting
1-23-95
Handout #9
01/23/95
S-1

**Tax Abatement in Multnomah County
Testimony on HB 3686**

Hello my name is Patricia Scruggs (0426 SW Dakota, Portland). I am the co-chair of the State's Economic Development Regional Strategies Board for the Metro area: Multnomah and Washington Counties. As you know, the goal of the Regional Strategies Board is to assist key industries in the Metro region to create family wage jobs and to foster programs that provide a competitive and quality workforce: all without compromising the region's livability. I am not here representing the Board, I am here as citizen and a member of a committee whose objective is much like this Commission's -- to improve the quality of life for residents in this area.

I am not here to state whether I support or oppose HB 3686 or a specific tax abatement program for Multnomah County. I do not have enough information on all of the pieces to make that kind of critical and objective decision. I am here to tell you what I think are important elements to consider in this decision, the issues I would look at if I were in your shoes.

First, tax abatements are about more than just the property tax revenues that the County gains or foregoes. The brief summary in yesterday's Oregonian gave only a "half truth," simplifying the issue to just this one element, and talking about it as if it was the entire argument. As we all know, it is not the whole story, although it is a critical piece. But the article made me realize the importance of recognizing and evaluating the other pieces in this tax puzzle.

I work in the area of sustainable development -- making sure that development has long-term viability and security, and is socially and environmentally responsible. When you look at things through this lens you modify two primary decision-making criteria used in a more narrow "economic analysis."

- 1) Looking long-term to understand the impact beyond the immediate project, and
- 2) Including all the elements that make up our quality of life (economic, environmental and social), because we all know they are linked and impact one another.

Strategic Goals: Looking Long-Term

In my opinion, what you as County Commissioners should be looking at how a project affects the long-term economic health of this region and the quality of life of its residents. That makes this decision a community cost-benefit analysis instead of just an economic analysis.

The most common mistake in any business is losing sight of your strategic plan and veering too far down one path before you look at the number of miles you've driven. Before you start this trip, I hope you have a clear idea of where your destination is. I think we all learned from our teen age years, there is no such thing as a joy ride.

I would like to ask the Commission what they want out of **any** program whose goal is to boost local economy.

A. *What kind of businesses (key industries) are best for Multnomah County? What industries create the most family-wage jobs (benefits) with the least amount of total cost to the community and business?*

B. *Do these businesses provide long-term security and are they positioned to be globally competitive in the future?*

C. *What impact do these industries have on the quality of life in the area? Do they use excessive amount of resources (energy, water, raw materials) for the number of jobs created? How much do they impact the existing infrastructure and environmental quality -- is it proportional to the number of jobs created? How much additional infrastructure is paid for by tax payers and how much by the project?*

D. *What industries will have the greatest social impact and utilize skills that exist or can be trained in this area? Do they fit into the workforce training programs developed for this area?*

In other words, what results do you want to encourage or minimize, and how can a tax abatement program help you to achieve this? Because what works or does work in each region of this state is different to some extent, which is why you hear a mix of good news and bad news here tonight.

Cost-Benefit Analysis: Including all costs/benefits and understanding the link to long-term goals

Once long-term goals are clarified, then you can evaluate whether a tax abatement program can effectively help you achieve these goals. I would argue that a traditional economic analysis of a tax abatement program is not enough for the county. As County Commissioners, you have concerns above and beyond the bottom line of one or two companies. A more comprehensive cost-benefit analysis would be more appropriate. What should be included in this cost-benefit analysis?

- 1) Direct Costs and Benefits
- 2) Indirect Costs and Benefits
- 3) Distribution of Costs and Benefits

Direct Costs and Benefits

Direct costs and benefits are perhaps the easiest to understand and calculate -- For the most part, they are the elements used in an economic analysis. Here, they include:

Property Taxes: Changes in property revenue (under compression and out of compression)

Jobs created: changes in incomes taxes, community/public assistance, and other costs and benefits directly related to job creation.

Workforce Development: The costs and benefits associated with developing an accompanying workforce training program.

Infrastructure: The direct cost associated with infrastructure expansion of roads, water/sewer systems, transit, communications.

Capital: Changes to available capital in the region -- opportunity costs for other projects.

Indirect Costs and Benefits

Indirect cost and benefits are those not directly associated with immediate project, but which are impacted by it. They can be a benefit or a cost to the project. These include:

Indirect jobs and revenues: Impact of increased local spending, assessed values, etc.

Indirect workforce training: Resulting workforce development that can be used for other projects or are longer-term (high school programs, etc.).

Perception and image: Hard to quantify, but does affect economic decisions

Indirect impact on infrastructure and growth management: In addition to direct infrastructure costs (road extensions, water/sewer use, etc.), what are the indirect effects on the area -- traffic congestion and air pollution (associated with distance of workforce from home to work); maintenance of infrastructure caused from incremental change.

Impact on environmental systems: How does the project impact environmental systems? Add to marginal compliance areas? Require additional environmental monitoring by county or city?

Distribution

A critical element, often overlooked, is the distribution of costs and benefits. While an economic analysis looks primarily at the bottom line, a comprehensive cost-benefit analysis also considers the distribution -- i.e.: would a tax abatement fairly distribute costs and benefits throughout the community? will it help target areas within the county? Distribution considerations include:

- Distribution of property tax burden between businesses, educational institutions, and homeowners?
- Distribution of business tax amid small, medium and large businesses?
- Distribution of increased revenues between socioeconomic groups?
- Distribution of infrastructure costs and impacts on growth management?

My objective here is to urge you to look broadly at costs and benefits and how they are link and impact one another. I have not listed them all. These are the major ones that come to mind, and probably cover the vast majority of costs and benefits.

Critical Components of a Tax Abatement Program for Multnomah County

When I listen to the discussion of most tax abatement projects they argue over costs and benefits associated with the abatement and without the abatement, both assuming that the project will happen anyway. Well, if businesses are going to expand regardless of this, then why is there tax abatements to begin with.

So in my opinion you have three scenarios: 1) no expansion, relocation (the base case), 2) tax abatement and a higher likelihood of the project, and 3) no abatement with a lower likelihood of the project. The greatest uncertainty is how much a project's decision is based on getting a tax break.

This can be directly related to the capital intensiveness and physical size. These will vary between key industries. The options considered, and the uncertainty associated with them, should be related back to the strategic goals of Multnomah County and the industries that best achieve these goals.

I do believe that a tax abatement program can be developed that will be economically, socially and environmentally sound. Part of the cost-benefit analysis will depend on what criteria you use as the in the tax abatement scenario. I would recommend the following:

A Community Service fee for the maximum 25% of the deferred property tax over \$100M
The fee will be used to a establish workforce training program for that key industry (not just the one company) and to help augment any revenues lost by schools. Working with existing regional partners in the workforce development area -- Region 2 Workforce Quality Committee, PDC, and Regional Strategies -- training programs can be leveraged to assist a wide range of residents.

Minimize the negative impacts on growth management issues and infrastructure costs to taxpayers. Encourage programs for the use of mass transit, recycling, and pollution prevention measures. These can result in lower short and long-term infrastructure and environmental costs. Understanding the relationship with plans like Metro's 2040 or DEQ compliance programs can reduce unwanted side-effects.

Encourage the use of local suppliers. Tax abatement programs are usually out of reach for small and medium size business. To help balance the distribution of costs and benefits to all businesses in the community, companies that receive tax abatement should be encouraged to use local suppliers as well as hire local workers.

Summary

The key to a just and sustainable tax policy is to understand all the inputs and outputs. Then look for ways where each pays their own share, based on a use-pay principle. This might result in taxing the throughput of a piece of property more than the property itself.

If a tax abatement is set up properly, it can result in more than the redistribution of property tax burden. But only if **all** factors are considered in the analysis **and** are included in the abatement program. If the conditions used to evaluate the options (workforce development, infrastructure improvements, resource efficiency) are not firm conditions of the tax abatement program, then you have gone down a primrose path. If you include these conditions, then I think that a comprehensive analysis will lead you in the right direction.

When the Regional Strategies Board first started its process for this biennium last year, both Bill Scott and Commissioner Stein gave us a simple and straight-forward suggestion: "Think creatively and think broadly". I encourage you to do the same.

I thank you for your time and consideration of this information. I wish you luck in making this very difficult decision.

Special Meeting
1-23-95
Handout #10
S-1

January 19, 1995


Beverly Stein, Multnomah County Chair
and Members of the Multnomah County Board of Commissioners
P.O. Box 14700
Portland, OR 97204


On behalf of the Centennial, Gresham-Barlow, and Reynolds school districts, we would like to thank you for the opportunity to comment on your consideration of the issue of property tax abatement for large key industries as allowed by House Bill 3686, the law which established the Strategic Investment Program. Although no formal action has been taken by the school boards we serve, we believe we can represent our districts' positions as follows:

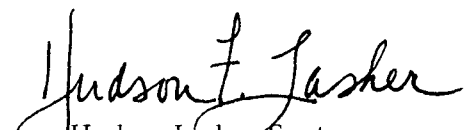
1. The Centennial, Gresham-Barlow, and Reynolds school districts support efforts to develop a strong economic base for the East Multnomah County area and we see economic growth and development as being critical to the overall health of the communities we represent.
2. We believe that projections that East Multnomah County will experience a considerable increase in population during the next decade are accurate. Given that growth will occur, we believe it is in the best interest of the public schools and their students, as well as of the community at large, that new jobs created in this area be family wage jobs. If the Strategic Investment Program can be implemented in a way that ensures the creation of such jobs, we are supportive of it.
3. We believe that the County should develop an implementation policy for the Strategic Investment Program as authorized by the 1993 Legislature.
4. We volunteer the resources of our districts to assist Multnomah County with the development of the policy, preferably by serving on committees and/or task forces, or by reviewing what is developed by others.
5. Because a strong public school system is vital to the overall health of the community, because the public schools stand to be impacted in a significant way by the influx of new families and students, and because of the uncertainties involved with the level of school funding in Oregon, we urge that the savings which companies benefiting from tax abatement must return to the community be directed to the public schools in East Multnomah County to support efforts to prepare students for the 21 Century workforce.
6. With respect to the specific interest being expressed by Fujitsu Microelectronics in applying for tax abatement, we wish to go on record as acknowledging the many contributions made by that company to the community and particularly to the school districts since it began operation in this area in 1988. With Fujitsu's excellent past performance as a corporate citizen, we would be supportive of it benefiting from the Strategic Investment Program if an appropriate policy can be developed.

In summary, if our communities and East Multnomah County are to grow, we believe it is wise public policy to encourage good corporate citizens to invest here. We believe that such investment can be encouraged and that the public school systems in this area can benefit from such investment if the right decisions are made in advance.

Sincerely,


George Benson, Supt.
Centennial S.D.


James Carlile, Supt.
Gresham-Barlow S.D.


Hudson Lasher, Supt.
Reynolds S.D.

BH:lc

c: Board Members

Special Meeting
1-23-95
Handout #11
S-1

Statement of Randy Tucker
January 23, 1995

My name is Randy Tucker. I live in Southeast Portland. I have recently served as Coordinator of the Citizens Trade Campaign of Oregon and as Co-chair of the Oregon Fair Trade Coalition. In both of these positions I have worked to ensure that our country's international trade policy is designed to stimulate economic development that is broad-based, equitable, and sustainable over the long term—development that benefits society at large without sacrificing jobs, worker rights, environmental quality, or democratic accountability.

The proposed tax abatements now being sought in Multnomah County by a handful of large companies bring these concerns down to a scale that allows us to see in our own community the strategies being used by multinational corporations on a global level. Just as free trade allows these corporations to play one nation against another in the search for the lowest wages and the least stringent regulations, the tax abatement game pits state against state, county against county, and city against city in a race to see how much we can give away to companies and how little we can demand that these companies contribute to the community in return. The result runs counter to the goals of sustainable and equitable development I have mentioned.

Economists have a concept called the "fallacy of composition." The idea is that what is true in an individual case is not necessarily true when applied universally. For instance, while it may be logical for a single company to cut wages and lay off workers in order to increase competitiveness and boost profits, this ceases to be rational when all companies do the same thing, because when wages fall, workers can no longer afford to buy anything.

In the case of tax abatements, assuming we want the kind of development being proposed, it may make sense in individual cases to offer inducements to attract investment. But when communities all over the country are forced to compete for that investment by slashing taxes, the result is no longer rational. The price of securing investment rises beyond the benefits that that investment provides to the community. Thus the tax giveaway game is not a sustainable strategy for ensuring regional development. Communities must be willing to stop this downward spiral and say no in order to protect their tax bases.

This is especially important in Oregon's current fiscal climate. Measure 5 has shifted the property tax burden in this state dramatically away from business and onto the backs of homeowners. Under these circumstances, and given the budgetary problems that are already stretching the resources of government at every level, we should be especially wary of any program that would further limit our property tax base while offering another huge windfall to a giant corporation.

We also need to ask ourselves: does granting a tax break to a company that locates here give that company an advantage over competitors located elsewhere, causing those distant companies to slash jobs and wages in order to remain competitive? If so, the same strategy will inevitably come full circle to exert pressure on jobs and wages here in Multnomah County.

I commend the County Commission for taking a patient approach and developing a general policy to govern decisions on tax abatements rather than considering each application on an ad hoc basis. If you do elect to pursue investment through the granting of these corporate entitlements, I urge you to develop strict and binding requirements for the recipients of tax breaks. Before we get sucked into this race to the bottom, we need to make absolutely sure we don't give away more than we would gain from the potential investment in the vain hope that benefits will eventually trickle down to the average citizen. If you are determined to play the dangerous giveaway game by setting "ceilings" on corporate property taxes, you should also establish a "floor" of strictly-enforced minimum standards for the creation of true family-wage jobs, the recognition of worker rights, and the protection of our environment. Lip service to these goals is not enough. Failure to adhere to these standards should be considered grounds for the revocation of tax breaks.

We must not offer up our land, our water, our work force, and our county services at fire sale prices, allowing corporations to act like fickle shoppers hunting for the best deal. Our region has much to offer besides low property taxes. Let's not sell it short.

Randy Tucker
1719 S.E. 48th Ave.
Portland, OR 97215
(503) 233-7701

HB 3686 BACKGROUND

*make it possible
for comm*

HB 3686 WAS ENACTED BY THE 1993 LEGISLATURE TO RESPOND TO A SPECIFIC BARRIER STANDING IN THE WAY OF ~~POTENTIAL HIGH-QUALITY JOB-CREATING~~ MAJOR INVESTMENTS FROM TWO OF THE KEY INDUSTRIES TARGETED BY BOTH THE STATE OF OREGON AND THE METROPOLITAN AREA, NAMELY, HIGH-TECHNOLOGY SEMICONDUCTOR MANUFACTURING AND METALS.

AS YOU KNOW, OREGON'S APPROACH TO ECONOMIC DEVELOPMENT IS SPELLED OUT IN OREGON SHINES AND THE OREGON BENCHMARKS: WE STRIVE FOR A WORLD CLASS WORKFORCE AND QUALITY OF LIFE, AN INTERNATIONAL FRAME OF MIND, EXCELLENT PARTNERSHIPS, GOOD SERVICES, ATTENTION TO REDUCING BUSINESS COSTS, AND A FOCUS ON KEY INDUSTRIES, BOTH AT THE STATE AND THE REGIONAL LEVELS.

OUR SUCCESS IN ACHIEVING THIS STRATEGIC POSITION CAUSES OREGON, AND THE PORTLAND AREA IN PARTICULAR, TO SCORE HIGH WITH SEMICONDUCTOR AND METALS COMPANIES INTERESTED IN A WESTERN U.S. LOCATION.

~~BUT WE MUST CONTINUALLY REVIEW THE SITUATION TO BE SURE WE REMAIN COMPETITIVE WITH OUR CHOSEN INDUSTRIES.~~

THE RECENT AND DRAMATIC INCREASE IN THE CAPITAL-INTENSIVENESS OF THESE INDUSTRIES HAS MADE ANY TAX BASED ON PROPERTY VALUE A POTENTIALLY SERIOUS PROBLEM. OREGON'S PROPERTY TAXES ARE HIGH COMPARED WITH OTHER LOCATIONS, EVEN THOUGH THE PROPERTY TAX LIMITATION HAS MADE THEM LIVABLE FOR MANY INDUSTRIES. OTHER STATES AND COUNTRIES HAVE RESPONDED TO THIS SITUATION BY PROVIDING COMPLETE EXEMPTIONS FROM PROPERTY AND SALES TAXES FOR NEW FACTORIES, AND THIS CAUSED OREGON TO LOSE SEVERAL POTENTIAL INVESTMENTS IN HEAD TO HEAD COMPETITION. OREGON'S ONLY RELIEF FROM PROPERTY TAXES WAS THROUGH THE ENTERPRISE ZONE PROGRAM. FEW OF OUR ENTERPRISE ZONES HAVE SITES THAT MEET THE DEMANDING REQUIREMENTS OF THE SEMICONDUCTOR INDUSTRY, IN PARTICULAR.

WE CONCLUDED THAT, IF OREGON WAS SERIOUS ABOUT BEING A PLAYER IN THE CURRENT WAVE OF MANUFACTURING INVESTMENT IN HIGH-TECH INDUSTRIES, AND MAINTAIN OUR STRONG POSITION AS A CENTER OF SEMICONDUCTOR MANUFACTURING, WE HAD TO DO SOMETHING TO ALLOW OUR LOCAL COMMUNITIES TO BE COMPETITIVE IF THEY WISHED TO BE.

FOR THESE REASONS, THE STRATEGIC INVESTMENT PROGRAM WAS DEvised, TARGETED ON KEY INDUSTRIES RATHER THAN ON DISTRESSED AREAS LIKE THE ENTERPRISE ZONE.

THE KEY CHARACTERISTICS OF THE SEMICONDUCTOR INDUSTRY INCLUDE

- HIGH CAPITAL COSTS OF TECHNOLOGY AND RESEARCH.
- HIGH INVESTMENT PER JOB--BETWEEN \$400,000 AND \$1 M, 10 TO 20 TIMES THE HISTORICAL AVERAGE.
- HIGHLY TRAINED WORKFORCE EARNING WAGES WELL ABOVE AVERAGE, COUPLED WITH OPPORTUNITIES FOR ADVANCEMENT.
- HIGH MULTIPLIER EFFECT OF ADDITIONAL INVESTMENT CREATED VIA SUPPLIER AND SERVICE COMPANIES THROUGHOUT THE STATE.
- LOW IMPACT ON SERVICES PER \$ OF INVESTMENT.

INDUSTRY REPRESENTATIVES HAVE MADE IT CLEAR TO US THAT OREGON COMMUNITIES WILL STILL NOT BE THE LOWEST COST LOCATIONS FOR THEIR FACILITIES, EVEN WHEN THEY IMPLEMENT THE STRATEGIC INVESTMENT PROGRAM.

BUT, COUPLED WITH WHAT IS PERCEIVED AS A VERY POSITIVE BUSINESS CLIMATE IN IN ALMOST EVERY OTHER RESPECT, THIS PROGRAM MAKES IT POSSIBLE FOR LOCAL GOVERNMENTS TO ADOPT POLICIES AND OFFER APPROPRIATELY-CONDITIONED TAX REDUCTIONS THAT ARE ENOUGH TO MAKE IT POSSIBLE FOR COMPANIES TO INVEST HERE.

IF MULTNOMAH COUNTY CHOSSES TO ADOPT A STRATEGIC INVESTMENT PROGRAM, THE STATE WILL BRING ITS LOTTERY PROGRAMS AND STAFF SUPPORT INTO PLAY TO ASSIST LOCAL GOVERNMENTS IN SECURING AND SUPPORTING THE DEVELOPMENT OF THESE NEW INVESTMENTS.

OREGONS PROGRAM
HB 3686

THE STRATEGIC INVESTMENTS PROGRAM OFFERS TAX RELIEF FOR CAPITAL INTENSIVE INDUSTRIES WHICH IS MODEST WHEN COMPARED TO OTHER STATES. IT OPERATES COMPLETELY AT LOCAL OPTION, YOU SET THE RULES AND NEGOTIATE DIRECTLY WITH THE COMPANY.

1-PROPERTY TAXES ARE EXEMPT ON AV OVER \$1 M--THAT NUMBER FLOATS WITH INCREASES OR DECREASES IN TAXABLE VALUE OF PROPERTY IN THE COUNTY OVER TIME.

2-25% OF THE TAXES ABATED, OVER THE \$1 M, ARE PAYED TO THE COUNTY AS A COMMUNITY SERVICE FEE WHICH CAN BE USED FOR A VARIETY OF PUBLIC USES (EG. ROADS, SCHOOLS, WATER SYSTEMS, INDUSTRY SPECIFIC TRAINING, ETC). THIS FEE, WHICH IS CAPPED AT A MAXIMUM OF \$2 M PER YEAR, IS ABOVE THE MEASURE 5 LIMIT AND REPRESENTS REVENUE TO THE COUNTY, CITY, AND SPECIAL DISTRICTS.

3-THE COMMUNITY IS ALLOWED TO IMPOSE OTHER REASONABLE RESTRICTIONS OR REQUIREMENTS ON THE COMPANY OR CHARGE ADDITIONAL FEES.

4-75% OF THE PERSONS HIRED MUST BE OREGONIANS.

5-LOCAL GOVERNMENT-CITY AND COUNTY-APPROVAL IS REQUIRED VIA PUBLIC HEARING.

6-FINAL ACTION IS TAKEN BY THE STATE ECONOMIC DEVELOPMENT COMMISSION WHICH APPROVES THE BONDS.

7-THE BONDS ARE CONDUIT BONDS IN WHICH THE COMPANY'S CREDIT AND THE PROJECT'S REVENUES SERVE TO BACK THE BONDS; THE STATE DOES NOT CONVEY A GENERAL OBLIGATION.

8-THE COMPANY RETAINS A FEE INTEREST IN THE PROPERTY, UNLIKE THE PROGRAMS OF OTHER STATES.