

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

ORDINANCE NO. 1230

Amending Multnomah County Code Chapter 11 – Revenue and Taxation and Declaring an Emergency.

The Multnomah County Board of Commissioners Finds:

1. Transient Lodging Tax revenues collected by the County are allocated according to formulas outlined in MCC 11.402, and intergovernmental agreements between the County, City of Portland and Metro.

2. The ordinance proposes to make a technical amendment to MCC 11.400 which defines certain terms used in this subchapter; and to MCC 11.402(A)(2)(a) that describes how proceeds from the 3% surcharge allocated to the Excise Tax Fund may be used; and to MCC 11.402(B)(3) which describes how proceeds from the 2.5% surcharge allocated to the Visitor Facilities Trust Account may be used.

3. Currently the Code states that proceeds allocated to Metro may be used for operations and capital expenses associated with the Oregon Convention Center.

4. The amendments confirm Metro's ability to pledge the revenues they receive from the 3% surcharge and the 2.5% surcharge to pay and secure debt service on bonds that will be issued for the Oregon Convention Center Hotel Project.

5. MCC 11.402(A)(2)(a), as amended by this Ordinance, allows Metro to use Transient Lodging Tax proceeds distributed from the Excise Tax Fund for the operation of the Oregon Convention Center, and Metro has committed in the recitals of the amended Visitor Facilities IGA to "make every possible effort to expend at least one third of the Excise Tax TLT it received from the County for OCC operating support on OCC marketing efforts." The County acknowledges that while the use of the Excise Tax Fund (ETF) TLT for the operation of the Oregon Convention Center is authorized, Metro may use and pledge the entirety of the ETF TLT to pay and secure debt service on Oregon Convention Center Hotel Project Bonds; in such case, the ETF TLT may not be available for the operation of the Oregon Convention Center or OCC marketing efforts.

Multnomah County Ordains as Follows:

Section 1. MCC § 11.400 is amended as follows:

§ 11.400 - DEFINITIONS.

For the purpose of this subchapter, the following definitions apply unless the context requires a different meaning.

* * *

PAY AND SECURE DEBT SERVICE. As stated in MCC 11.402(A)(2)(a) and 11.402(B)(3) “pay and secure debt service” means the payment of principal of, interest on, and redemption premium, if any, of Oregon Convention Center Hotel Project Bonds and the deposit to, and replenishment of, a debt service reserve fund, if any, established to secure the Bonds.

* * *

Section 2. MCC § 11.402 is amended as follows:

§ 11.402 – DISTRIBUTION OF EXCISE TAX FUND AND VISITOR FACILITIES TRUST ACCOUNT.

(A) The 3% surcharge imposed by Section 11.401(D) and allocated to the Excise Tax Fund shall be collected and distributed annually as follows:

- (1) Before paying the surcharge imposed by subsection (D), as required by § 11.407, the operator may deduct an amount equal to 5% of that portion of the tax that is allocated to the Excise Tax Fund. This 5% may be retained by the operator as reimbursement for the operator’s expenses in collecting the tax.
- (2) The County will pay from the proceeds of the surcharge that is allocated to the Excise Tax Fund as set forth in paragraphs (a) through (e) below, with the exception of taxes collected by an Oregon Convention Center Hotel to support bond repayment as specified in (B)(3) of this section, which taxes will be deposited into the VFTA.
 - (a) To Metro, for the operation of the Oregon Convention Center, \$3,800,000 in fiscal year 1997-98 and, in each fiscal year thereafter, that amount plus annual percentage increases equal to the greater of the change in the CPI or the overall change in the proceeds of the tax. If the overall increase in the proceeds of the tax in any given year exceeds 7%, any additional funds beyond the 7% increase will be allocated as specified in subsection (e) of subsection (2). Metro may also utilize the proceeds to pay and secure debt service on Oregon Convention Center Hotel Project Bonds, also referred to as OCC Hotel Project Bonds, and on Bonds issued for the purpose of making capital improvements to the Oregon Convention Center.

* * *

(B) The 2.5% surcharge described in section 11.401(E) and allocated to the VFTA shall be collected and distributed according to the terms of the Visitor Facilities Intergovernmental Agreement between the City, County and Metro. This distribution shall be

made in the following order of priority in amounts specified in the Visitor Facilities Intergovernmental Agreement:

- (1) Before paying the tax imposed by subsection (E) as required by § 11.407, the operator may deduct an amount equal to 5% of the portion of the tax allocated to VFTA. This 5% may be retained by the operator as reimbursement for expenses for collecting the tax;
- (2) To the City of Portland for payment of debt service on bonds issued for the Oregon Convention Center, Portland's Centers for the Arts, and Civic Stadium (now known as Jeld-Wen Field);
- (3) To Metro ~~for payment~~ to pay and secure debt service on the Oregon Convention Center Hotel Project Bonds, also referred to as the OCC Hotel Project Bonds.

Section 3. An emergency is declared in that it is necessary for the health, safety and general welfare of the people of Multnomah County for this ordinance to take effect concurrent with the City code, plan and map amendments. Under section 5.50 of the Charter of Multnomah County, this ordinance will take effect in accordance with Section 1.

FIRST READING AND ADOPTION:

March 10, 2016

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

Deborah Kafoury, Chair

REVIEWED:
JENNY M. MADKOUR, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By _____
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SUBMITTED BY: Mark Campbell, CFO