

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

RESOLUTION NO. _____

Approving amendments to agreements with the Portland Development Commission to exchange funding for the Courthouse project for funding for the Health Department project.

The Multnomah County Board of Commissioners Finds:

- a. On November 19, 2007, the County and the Portland Development Commission (“PDC”) entered into that certain Intergovernmental Agreement, as amended (as amended, the “Courthouse Agreement”), pursuant to which PDC paid \$8,820,000 to the County from the Downtown Waterfront Urban Renewal Area (the “Courthouse Financing”) to support development of a new Multnomah County Courthouse (the “Courthouse Project”).
- b. Subsequent to evaluating the feasibility and public impacts of relocating the westbound off ramp of the Hawthorne bridge, analyzing County-owned sites and other sites submitted for the County’s consideration pursuant to a site solicitation request, and reviewing certain environmental, geotechnical and traffic impact studies, the Board selected the Hawthorne Bridgehead Block 8 site for the Courthouse Project on April 16, 2015.
- c. Oregon Statutes require that urban renewal funds be spent on projects within the urban renewal area that generated the funds. The Hawthorne Bridgehead Block 8 site is not located within the Downtown Waterfront Urban Renewal Area.
- d. Pursuant to ORS 457.470(10)(e), PDC is obligated to pay \$16,948,460 to the County from the River District Urban Renewal Area no later than June 30, 2021 (the “Statutory Payment”).
- e. The County and PDC entered into that certain Intergovernmental Agreement effective November 13, 2012, pursuant to which PDC agreed to accelerate disbursement of the Statutory Payment to June 30, 2014, which deadline was extended to June 30, 2015 by a First Amendment dated June 27, 2014 (as amended, the “Health Agreement”), to support the construction of the County’s Health Department headquarters building (the “Health Project”).
- f. After reevaluating the Health Project’s program and scale, the County filed an application with the City of Portland for zoning amendments to increase the base height limit applicable to the Health Project and to make the Health Project eligible to receive floor-area-ratio bonuses. Portland City Council enacted the zoning amendments on June 25, 2015.
- g. Extending the deadline for the Statutory Payment from June 30, 2015, to December 30, 2016, will provide additional time for the County to reprogram, redesign, reengineer and obtain necessary entitlements for an expanded Health Project that will allow the County to relocate substantially all of the Health Department programs from the McCoy Building.

h. Returning the Courthouse Financing, with accrued interest, to PDC in exchange for PDC disbursing \$9,499,409 to the County to support the Health Project is consistent with the underlying purpose of the Courthouse IGA that urban renewal funds be used to support development of a County facility.

The Multnomah County Board of Commissioners Resolves:

1. The County Chair is authorized to enter into the Third Amendment to the Courthouse Agreement and modify the Third Amendment as necessary or desirable to further the intent of the Courthouse Agreement, as amended, so long as such modifications do not result in a material increase in the obligations of Multnomah County or a material decrease in the benefits for Multnomah County.
2. The County Chair is authorized to enter into the Second Amendment to the Health Agreement and modify the Second Amendment as necessary or desirable to further the intent of the Health Agreement, as amended, so long as such modifications do not result in a material increase in the obligations of Multnomah County or a material decrease in the benefits for Multnomah County.

ADOPTED this ____ day of July, 2015.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Deborah Kafoury, Chair

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

By _____
Kenneth M. Elliott, Assistant County Attorney

SUBMITTED BY: Marissa Madrigal, Director, Department of County Management