



Multnomah County Oregon

Board of Commissioners & Agenda

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BOARD OF COMMISSIONERS

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MAY 5, 6 & 7, 2009

BOARD MEETINGS

FASTLOOK AGENDA ITEMS OF INTEREST

Pg 2	9:00 a.m. Tuesday possible Executive Session
Pg 3	10:00 a.m. Tuesday Budget Work Session: Department of County Human Services
Pg 3	6:00 p.m. Tuesday Public Budget Hearing
Pg 4	10:00 a.m. Wednesday Budget Work Session: Department of Health
Pg 5	9:00 a.m. Thursday 1st Reading Ordinance Increasing Motor Vehicle Rental Tax
Pg 5/6	9:32 a.m. Thursday Budget Message/Approval for 2010 Service Districts Proposed Budgets
Pg 6	10:40 a.m. Thursday Convey Martha Washington Bldg to HAP for Affordable Housing
Pg 7	11:15 a.m. Thursday Health Equity Initiative

Thursday meetings of the Multnomah County Board of Commissioners are cable-cast live and taped and may be seen by Cable subscribers in Multnomah County at the following times:

Thursday, 9:30 AM, (LIVE) Channel 29

Saturday, 10:00 AM, Channel 30

Sunday, 11:00 AM, Channel 30

(↑ Portland & East County)

Tuesday, 8:15 PM, Channel 29

(↑ East County Only)

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or: <http://www.metroeast.org>

Tuesday, May 5, 2009 - 7:30 AM to 9:00 AM
Multnomah Building, Third Floor Conference Room 315
501 SE Hawthorne Boulevard, Portland

LOCAL PUBLIC SAFETY COORDINATING COUNCIL EXECUTIVE COMMITTEE MEETING

A quorum or more of the Multnomah County Board of Commissioners may attend the Local Public Safety Coordinating Council Executive Committee meeting. This meeting is open to the public. For further information contact Carol Wessinger at (503) 988-5217.

Tuesday, May 5, 2009 - 9:00 AM
Multnomah Building, Sixth Floor Commissioners Conference Room 635
501 SE Hawthorne Boulevard, Portland

IF NEEDED EXECUTIVE SESSION

- E-1 The Multnomah County Board of Commissioners will meet in Executive Session Pursuant to ORS 192.660(2)(d),(e) and/or (h). Only Representatives of the News Media and Designated Staff are allowed to attend. News Media and All Other Attendees are Specifically Directed Not to Disclose Information that is the Subject of the Session. No Final Decision will be made in the Session. Presented by County Attorney Agnes Sowle. 15-55 MINUTES REQUESTED.

Tuesday, May 5, 2009 - 10:00 AM
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

BUDGET WORK SESSION

WS-1 This work session will provide the Board with budget overview on the Multnomah County Department County of Human Services Fiscal Year 2010 Budget. In the Department's presentation, the Board will first hear from the DCHS Citizen Budget Advisory Committee about its work and recommendations. **This meeting is open to the public however no public testimony will be taken.** Presented by DCHS Director Joanne Fuller and Invited Others. 2 HOURS REQUESTED.

CABLE PLAYBACK INFO: **(East County Only)**

Tuesday, May 5 - 10:00 AM LIVE Channel 29
Friday, May 8 - 8:00 PM Channel 29
Saturday, May 9 - 2:00 PM Channel 29
Sunday, May 10 - 11:00 AM Channel 29

Tuesday, May 5, 2009 - 6:00 PM
North Portland Library Conference Room
512 N Killingsworth, Portland

PUBLIC BUDGET HEARING

PH-1 Public Hearing on the 2009-2010 Multnomah County Budget. Testimony is limited to three minutes per person. Fill out a speaker form available in the conference room and turn it into the Board Clerk. The North Portland Library conference room will be open one hour prior to the hearing.

CABLE PLAYBACK INFO: **(Portland and East County)**

Thursday, May 7 - 12:00 PM Channel 21
(East County Only)
Friday, May 8 - 11:00 PM Channel 29
Saturday, May 9 - 5:00 PM Channel 29
Sunday, May 10 - 2:00 PM Channel 29

Wednesday, May 6, 2009 - 10:00 AM
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

BUDGET WORK SESSION

WS-2 This work session will provide the Board with budget overview on the Multnomah County Department of Health Fiscal Year 2010 Budget. In the Department's presentation, the Board will first hear from the Community Health Council Citizen Budget Advisory Committee about its work and recommendations. **This meeting is open to the public however no public testimony will be taken.** Presented by Department of Health Director Lillian Shirley and Invited Others. 2 HOURS REQUESTED.

CABLE PLAYBACK INFO:

(East County Only)

Wednesday, May 6 - 10:00 AM LIVE Channel 29

Saturday, May 9 - 10:00 PM Channel 29

Sunday, May 10 - 8:00 PM Channel 29

Monday, May 11 - 8:00 PM Channel 29

Thursday, May 7, 2009 - 9:00 AM
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

REGULAR MEETING

CONSENT CALENDAR - 9:00 AM

DEPARTMENT OF COUNTY MANAGEMENT

- C-1 BUDGET MODIFICATION DCM-14 Reclassifying One Position in Assessment & Taxation as Determined by the Class/Comp Unit of Central Human Resources
- C-2 BUDGET MODIFICATION DCM-15 Reclassifying Three Positions in Information Technology as Determined by the Class/Comp Unit of Central Human Resources

DEPARTMENT OF COMMUNITY SERVICES

- C-3 ORDER Authorizing the Public Sale of Tax Foreclosed Property

DEPARTMENT OF COUNTY HUMAN SERVICES

- C-4 ORDER Authorizing a Designee of the Mental Health Program Director to Direct a Peace Officer to Take an Allegedly Mentally Ill Person into Custody

REGULAR AGENDA

NON-DEPARTMENTAL - 9:00 AM

- R-1 First Reading of a Proposed ORDINANCE Amending Multnomah County Code Sections 11.300, 11.301 and 11.304 Relating to Motor Vehicle Rental Tax

DEPARTMENT OF COUNTY HUMAN SERVICES – 9:25 AM

- R-2 BUDGET MODIFICATION DCHS-37 Appropriating \$131,590 in American Recovery and Reinvestment Act Ramp Up Plan Funding to the Department of County Human Services, Energy Services Program

PUBLIC COMMENT - 9:30 AM

Opportunity for Public Comment on non-agenda matters. Testimony is limited to three minutes per person. Fill out a speaker form available in the Boardroom and turn it into the Board Clerk.

SERVICE DISTRICTS - 9:30 AM

(Recess as the Board of County Commissioners and convene as the governing body for DUNTHORPE RIVERDALE SANITARY SERVICE DISTRICT NO. 1)

- R-3 Appoint Jeffery Van Osdal to Serve a Three Year Term on the Dunthorpe-Riverdale Sanitary Service District No. 1 Budget Committee
- R-4 Appoint Dunthorpe-Riverdale Sanitary Service District No. 1 Budget Committee Chair and Secretary for Fiscal Year 2009-2010
- R-5 Dunthorpe-Riverdale Sanitary Service District No. 1 **Budget Message Presentation** followed by Public Hearing and Consideration of Approval of the 2009-2010 Dunthorpe Riverdale Sanitary Service District No. 1 Proposed Budget for Submittal to Tax Supervising and Conservation Commission

(Adjourn as the governing body for Dunthorpe Riverdale Sanitary Service District No. 1 and convene as governing body for MID-COUNTY STREET LIGHTING SERVICE DISTRICT NO. 14)

R-6 Appoint Mid-County Street Lighting Service District No. 14 Budget Committee Chair and Secretary for Fiscal Year 2009-2010

R-7 Mid-County Street Lighting Service District No. 14 **Budget Message Presentation** followed by Public Hearing and Consideration of Approval the 2009-2010 Mid County Street Lighting Service District No. 14 Proposed Budget for Submittal to Tax Supervising and Conservation Commission

(Adjourn as the governing body for Mid-County Street Lighting Service District No. 14 and reconvene as BOARD OF COUNTY COMMISSIONERS)

NON-DEPARTMENTAL - 9:55 AM

R-8 Amended Strategic Investment Program Contract between Multnomah County, the City of Gresham and Microchip Technology, Incorporated

AUDITOR'S OFFICE – 10:10 AM

R-9 Financial Condition Report of Multnomah County 2009. Presented by Sarah Landis, Deputy Auditor and Judith DeVilliers, Principal Auditor. 30 MINUTES REQUESTED.

DEPARTMENT OF COUNTY MANAGEMENT – 10:30 AM

R-10 NOTICE OF INTENT to Apply for Grant Funding of Up to \$7,200,000 of Stimulus Money Directly from the Federal Government or Indirectly through the State to Improve County-Owned Facilities, Reduce Utility Costs, and Lessen Maintenance Time and Expense

R-11 RESOLUTION Approving the Conveyance of the Martha Washington Building, 1115 SW 11th Avenue, Portland, Oregon, to the Housing Authority of Portland, for Redevelopment as Affordable and Permanent Supportive Housing Providing Services to County Target Populations

R-12 NOTICE OF INTENT to Apply for Federal American Recovery and Reinvestment Act (ARRA) Funds through the Oregon Department of Energy for the Portland/Multnomah County Clean Energy Fund Pilot

R-13 RESOLUTION Approving a Memorandum of Agreement with Portland Metropolitan Regional Partners and the State of Oregon Establishing a Coordinated Effort and Request for Federal Stimulus Funds for the Deployment of Electric Vehicles and Electric Vehicle Infrastructure

DEPARTMENT OF HEALTH – 11:00 AM

R-14 BUDGET MODIFICATION HD-15 Appropriating \$26,505 in Revenue from the State of Oregon, Department of Human Services – School Based Health Center Expansion Evaluation Project

R-15 BUDGET MODIFICATION HD-16 Appropriating \$16,000 in Revenue from the State of Oregon, Department of Human Services – Fetal Alcohol Syndrome Surveillance Program

R-16 BUDGET MODIFICATION HD-17 Appropriating \$149,941 in Revenue from the Robert Wood Johnson Foundation Healthy Eating Research Rapid Response Grant Program

R-17 Budget Modification HD-18 Appropriating \$99,999 in Revenue from the Robert Wood Johnson Foundation Substance Abuse Policy Research Program and \$15,000 in Revenue from the State of Oregon, Department of Human Services, Evaluation of Smoke Free Multi-Unit Housing

R-18 Health Equity Initiative: Year 1 Update. Presented by Tricia Tillman and Sonali Balajee (HEI staff), Urban League (tentative), Regence Blue Cross/Blue Shield (tentative), Oregon Health Action Campaign (tentative); Countywide Coordinating Team members (TBD). 45 MINUTES REQUESTED.



Commissioner Judy Shiprack

Multnomah County Oregon

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501 SE Hawthorne Boulevard
Portland, Oregon 97214

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Email: district3@co.multnomah.or.us

MEMORANDUM

TO: Chair Ted Wheeler
Commissioner Deborah Kafoury
Commissioner Jeff Cogen
Commissioner Diane McKeel
Clerk of the Board Deb Bogstad

FROM: Keith Falkenberg
Staff to Commissioner Judy Shiprack

DATE: April 20, 2009

RE: May 7, 2009 Board Meeting

Commissioner Shiprack will not be in attendance at the May 7, 2009 Board meeting.

BOGSTAD Deborah L

From: SHIPRACK Judith C
Sent: Wednesday, May 06, 2009 3:11 PM
To: WHEELER Ted; KAFOURY Deborah; MCKEEL Gail H; COGEN Jeff
Cc: BOGSTAD Deborah L; KARNES Ana; SOWLE Agnes; LASHUA Matthew
Subject: Tomorrow's Board Meeting

Dear Fellow Board Members:

I was going to call in and cast my vote for the vehicle rental tax. I've been informed by the board clerk I have to listen to all the testimony before I can vote. I have a small time window when I'm available to call so I won't be able to call in and vote after all.

I want you to know that I support the VRT and would have voted yes. While I think we as a board should focus on a bigger, broad based revenue source, these extraordinary fiscal times call upon us to take immediate action.

I look forward to an ongoing conversation about our essential core programs and revenue required to support them.

Judy Shiprack
Multnomah County Commissioner
501 SE Hawthorne Ave. Suite 600
Portland, OR 97214
503 988 5217

5/6/2009



MULTNOMAH COUNTY

AGENDA PLACEMENT REQUEST (long form)

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # C-1 DATE 05/07/09
DEBORAH L. BOGSTAD, BOARD CLERK

Board Clerk Use Only

Meeting Date: 05/07/09
Agenda Item #: C-1
Est. Start Time: 9:30 AM
Date Submitted: 04/21/09

BUDGET MODIFICATION: DCM-14

Agenda Title: BUDGET MODIFICATION DCM-14 Reclassifying One Position in Assessment & Taxation as Determined by the Class/Comp Unit of Central Human Resources

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.

Requested Meeting Date:	<u>May 7, 2009</u>	Amount of Time Needed:	<u>Consent</u>
Department:	<u>County Management</u>	Division:	<u>Director's Office</u>
Contact(s):	<u>Tory Mitchell</u>		
Phone:	<u>503-988-4545</u>	Ext.	<u>x84545</u>
	I/O Address:		<u>503/4</u>
Presenter(s):	<u>Consent</u>		

General Information

1. What action are you requesting from the Board?

The department is requesting Board approval of a budget modification reclassifying one position in the Assessment and Taxation Division as determined by the Class/Comp Unit of Central Human Resources.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

The Department of County Management is asking the Board to approve the reclassification of the following position:

Assessment and Taxation

<u>Position Title (Old)</u>	<u>Position Title (New)</u>	<u>Position Number</u>	<u>FTE</u>
Finance Specialist 2	Data Analyst	705303	1.0

This position will perform and analyze statistical studies of data using various techniques such as mathematical modeling, matrix algebra and linear, multiple and logarithmic regression; assist with the annual "Sales Ratio" and "Recalculation" functions; the further development of computer assisted valuation techniques in the Assessor, Recording and Taxation unit's system. The position will investigate and resolve data and calculation errors or inconsistencies in the property characteristic file; create and maintain various tables of this system. These analytical responsibilities are consistent with the Data Analyst classification (JCN 6073). Because a vacant position is being reclassified for this work this reclass is not considered reorganization, but a reclassification due to changes in business need.

3. Explain the fiscal impact (current year and ongoing).

Total personnel services were increased by \$4,446; other budget line items were adjusted to offset that amount.

4. Explain any legal and/or policy issues involved.

The reclassification for which approval is sought in this request has been reviewed by the Classification/Compensation Unit, which does conclude that this new classification is appropriate for the Division's change in business need.

5. Explain any citizen and/or other government participation that has or will take place.

N/A

ATTACHMENT A

Budget Modification

If the request is a Budget Modification, please answer all of the following in detail:

- **What revenue is being changed and why?**
Risk Management revenue is increased by \$90.
- **What budgets are increased/decreased?**
Risk Management budget is increased by \$90.
- **What do the changes accomplish?**
Reclassification of one position.
- **Do any personnel actions result from this budget modification? Explain.**
Reclassification of one position.
- **How will the county indirect, central finance and human resources and departmental overhead costs be covered?**
NA
- **Is the revenue one-time-only in nature? Will the function be ongoing? What plans are in place to identify a sufficient ongoing funding stream?**
NA
- **If a grant, what period does the grant cover?**
NA
- **If a grant, when the grant expires, what are funding plans?**
NA

<p><i>NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.</i></p>

ATTACHMENT B

BUDGET MODIFICATION: DCM-14

Required Signatures

**Elected Official or
Department/
Agency Director:**

Carol M. Ford

Date: 04/21/09

Budget Analyst:

Debra

Date: 04/21/09

Department HR:

Amy Rippon

Date: 04/22/09

Countywide HR:

A. Busby

Date: 04/22/09

Budget Modification ID: **DCM-14****EXPENDITURES & REVENUES**

Please show an increase in revenue as a negative value and a decrease as a positive value for consistency with SAP.

Budget/Fiscal Year: 2009

Line No.	Fund Center	Fund Code	Program #	Func. Area	Accounting Unit			Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
					Internal Order	Cost Center	\$ Eler						
1	72-30	1000	72036	20		706401		60000	144,182	158,929	14,747		Increase Base Pay
2	72-30	1000	72036	20		706401		60130	44,747	49,383	4,636		Increase Salary Related
3	72-30	1000	72036	20		706401		60140	34,553	38,249	3,696	23,079	Increase Insurance Benefits
4	72-30	1000	72033	20		706211		60000	418,262	406,738	(11,524)		Decrease Base Pay
5	72-30	1000	72033	20		706211		60130	122,982	119,359	(3,623)		Decrease Salary Related
6	72-30	1000	72033	20		706211		60140	120,245	116,759	(3,486)	(18,633)	Decrease Insurance Benefits
7	72-30	1000	72033	20		706211		60100	24,000	20,005	(3,995)		Decrease Temporary
8	72-30	1000	72033	20		706211		60135	1,990	1,659	(331)		Decrease Non Base Fringe
9	72-30	1000	72033	20		706211		60145	720	600	(120)	(4,446)	Decrease Non Base Ins
10										0			
11										0			
12	72-10	3500		20		705210		50316		(90)	(90)		Increase Ins Revenue
13	72-10	3500		20		705210		60330		90	90		Increase Ins Expenditure
14										0			
15										0			
16										0			
17										0			
18										0			
19										0			
20										0			
21										0			
22										0			
23										0			
24										0			
25										0			
26										0			
27										0			
28										0			
29										0			
											0	0	Total - Page 1
											0	0	GRAND TOTAL

ANNUALIZED PERSONNEL CHANGEChange on a full year basis even though this action affects only a part of the fiscal year (FY).

							ANNUALIZED			
Fund	Job #	HR Org	CC/WBS/IO	Position Title	Position Number	FTE	BASE PAY	FRINGE	INSUR	TOTAL
1000	6030	64932	706211	Finance Specialist 2 - Vacant	705303	(1.00)	(46,094)	(14,492)	(13,944)	(74,530)
1000	6073	62729	706401	Data Analyst - Vacant	705303	1.00	58,986	18,545	14,782	92,313
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
TOTAL ANNUALIZED CHANGES						0.00	12,892	4,053	838	17,783

CURRENT YEAR PERSONNEL DOLLAR CHANGECalculate costs/savings that will take place in this FY; these should explain the actual dollar amounts being changed by this Bud Mod.

							CURRENT YEAR			
Fund	Job #	HR Org	CC/WBS/IO	Position Title	Position Number	FTE	BASE PAY	FRINGE	INSUR	TOTAL
1000	6030	64932	706211	Finance Specialist 2 - Vacant	705303	(0.25)	(11,524)	(3,623)	(3,486)	(18,633)
1000	6073	62729	706401	Data Analyst - Vacant	705303	0.25	14,747	4,636	3,696	23,079
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
TOTAL CURRENT FY CHANGES						0.00	3,223	1,013	210	4,446



MULTNOMAH COUNTY

AGENDA PLACEMENT REQUEST (long form)

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # C-2 DATE 05/07/09
DEBORAH L. BOGSTAD, BOARD CLERK

Board Clerk Use Only

Meeting Date: 05/07/09
Agenda Item #: C-2
Est. Start Time: 9:30 AM
Date Submitted: 04/22/09

BUDGET MODIFICATION: DCM - 15

**BUDGET MODIFICATION DCM-15 Relating to Reclassification of Three
Agenda Positions in Information Technology as Determined by the Class/Comp Unit of
Title: Central Human Resources**

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.

Requested Meeting Date: May 7, 2009 Amount of Time Needed: Consent
Department: DCM Division: Information Technology
Contact(s): Julie Neburka
Phone: (503) 988-3312 Ext. 27351 I/O Address: 503 / 531
Presenter(s): NA

General Information

1. What action are you requesting from the Board?

The department is requesting Board approval of a budget modification authorizing the reclassification of three positions in Information Technology.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

The Department of County Management is requesting Board approval of a reclassification request for the following positions that were approved by the Central Class Comp Unit:

Information Technology

Position Title (Old)	Position Title (New)	Position Number	FTE
Development Analyst Sr	Systems Administrator Sr	705073	No FTE Change
Development Analyst Sr	Systems Administrator Sr	701255	No FTE Change
Admin. Secretary (Rep.)	Admin Secretary (NR)	702050	No FTE Change

Information Technology requested the Central Class Comp Unit to examine the duties of these positions. After review of duties, Class Comp has reclassified to the positions identified above. These positions are budgeted for FY 2009 in Program Offer 72083 – IT Data Center (Positions 705073 and 701255); and Program Offer 72081 (Position 702050). No immediate changes in performance measures on the current program offer are anticipated by this change.

3. Explain the fiscal impact (current year and ongoing).

Budget modification detail is attached. The reclassification request is being accomplished within current resources for FY 2009. Salary and fringe costs will increase by \$8,204.00 during this fiscal year. Materials and Services are being reduced by the same amount to cover the increase. Ongoing expenses for this position will be recovered via standard service rates.

4. Explain any legal and/or policy issues involved.

The re-classifications, for which approval is sought in this request, have been reviewed by the Classification/Compensation Unit and the positions have been re-classed.

5. Explain any citizen and/or other government participation that has or will take place.

NA

ATTACHMENT A

Budget Modification

If the request is a Budget Modification, please answer all of the following in detail:

- **What revenue is being changed and why?**
Risk Management revenue increased by ~\$390.00.
- **What budgets are increased/decreased?**
Risk Management budget increased by ~\$390.00.
- **What do the changes accomplish?**
Re-classification of three positions.
- **Do any personnel actions result from this budget modification? Explain.**
Re-classification of three positions.
- **How will the county indirect, central finance and human resources and departmental overhead costs be covered?**
NA
- **Is the revenue one-time-only in nature? Will the function be ongoing? What plans are in place to identify a sufficient ongoing funding stream?**
- **If a grant, what period does the grant cover?**
- **If a grant, when the grant expires, what are funding plans?**

<p><i>NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.</i></p>

ATTACHMENT B

BUDGET MODIFICATION: DCM - 15

Required Signatures

Elected Official
or Department/
Agency Director:

Sheryl J Swackhamer

Date: 04/22/09

Budget Analyst:

Debra

Date: 04/22/09

Department HR:

Carol Dyer

Date: 04/22/09

Countywide HR:

Elizabeth J. Nunez

Date: 04/22/09

Budget Modification ID: **DCM - 15****EXPENDITURES & REVENUES**

Please show an increase in revenue as a negative value and a decrease as a positive value for consistency with SAP.

Budget/Fiscal Year: 2009

Line No.	Fund Center	Fund Code	Program #	Func. Area	Accounting Unit		Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
					Internal Order	Cost Center						
1	72-60	3503	72091	0020		709000	60240	635,823	632,131	(3,692)		Reclass for Jeannie St Clair
2	72-60	3503	72091	0020		709000	60000	657,203	659,928	2,725		Admin Secr (Rep.) to Admin Secr NR
3	72-60	3503	72091	0020		709000	60130	199,507	200,297	790		
4	72-60	3503	72091	0020		709000	60140	152,497	152,674	177		
5									0			
6									0			
7	72-10	3500	75210	0020		705210	50316	0	(177)	(177)		Insurance Revenue
8	72-10	3500	75210	0020		705210	60330	0	177	177		Offsetting expenditure
9									0			
10	72-60	3503	72091	0020		709530	60240	55,333	50,821	(4,512)		Reclass for John Goodyear
11	72-60	3503	72091	0020		709530	60000	1,378,159	1,381,430	3,271		Dev. Analyst Sr to System Admin Sr
12	72-60	3503	72091	0020		709530	60130	414,674	415,702	1,028		
13	72-60	3503	72091	0020		709530	60140	266,698	266,911	213		
14									0			
15									0			
16	72-10	3500	75210	0020		705210	50316	0	(213)	(213)		Insurance Revenue
17	72-10	3500	75210	0020		705210	60330	0	213	213		Offsetting expenditure
18									0			
19	72-60	3503	72091	0020		709530	60170	50,821	50,821	-		Reclass for James Price
20	72-60	3503	72091	0020		709530	60000	1,381,430	1,381,430	0		Dev. Analyst Sr to System Admin Sr - no change in pay
21	72-60	3503	72091	0020		709530	60130	415,702	415,702	0		
22	72-60	3503	72091	0020		709530	60140	266,911	266,911	0		
23									0			
24									0			
25	72-10	3500	75210	0020		705210	50316	0	0	0		Insurance Revenue
26	72-10	3500	75210	0020		705210	60330	0	0	0		Offsetting expenditure
27									0			
28									0			
29									0			
										0	0	Total - Page 1
										0	0	GRAND TOTAL

ANNUALIZED PERSONNEL CHANGE							ANNUALIZED			
Fund	Job #	HR Org	CC/WBS/O	Position Title	Position Number	FTE	BASE PAY	FRINGE	INSUR	TOTAL
3503	6005	63378	709000	Admin Secr (Rep) - J. St Clair	702050	(1.00)	(44,036)	(12,757)	(13,810)	(70,604)
3503	9634	63378	709000	Admin Secr (NR) - J St Clair	702050	1.00	47,502	13,761	14,036	75,299
3503	6406	63378	709530	Dev Analyst Sr - J. Goodyear	705073	(1.00)	(75,725)	(23,808)	(15,870)	(115,403)
3503	6412	63378	709530	System Admin Sr - J. Goodyear	705073	1.00	79,929	25,130	16,143	121,202
3503	6406	63378	709530	Dev Analyst Sr - J. Price	701255	(1.00)	(81,012)	(23,469)	(16,214)	(120,695)
3503	6412	63378	709530	System Admin Sr - J. Price	701255	1.00	81,012	23,469	16,214	120,695
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
				TOTAL ANNUALIZED CHANGES		0.00	7,670	2,326	499	10,494

							CURRENT YEAR			
Fund	Job #	HR Org	CC/WBS/O	Position Title	Position Number	FTE	BASE PAY	FRINGE	INSUR	TOTAL
3503	6005	63378	709000	Admin Secr (Rep) - J. St Clair	702050	(0.79)	(34,626)	(10,031)	(10,859)	(55,516)
3503	9634	63378	709000	Admin Secr (NR) - J St Clair	702050	0.79	37,351	10,821	11,036	59,208
3503	6406	63378	709530	Dev Analyst Sr - J. Goodyear	705073	(0.78)	(58,920)	(18,525)	(12,348)	(89,793)
3503	6412	63378	709530	System Admin Sr - J. Goodyear	705073	0.78	62,191	19,553	12,561	94,305
3503	6406	63378	709530	Dev Analyst Sr - J. Price	701255	(0.78)	(63,034)	(18,261)	(12,616)	(93,911)
3503	6412	63378	709530	System Admin Sr - J. Price	701255	0.78	63,034	18,261	12,616	93,910
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
				TOTAL CURRENT FY CHANGES		0.00	5,996	1,818	390	8,204



MULTNOMAH COUNTY

AGENDA PLACEMENT REQUEST (revised 09/22/08)

Board Clerk Use Only

Meeting Date: 05/07/09
Agenda Item #: C-3
Est. Start Time: 9:30 AM
Date Submitted: 04/22/09

Agenda Title: ORDER Authorizing the Public Sale of Tax Foreclosed Property

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title sufficient to describe the action requested.

Requested Meeting Date:	May 7, 2009	Amount of Time Needed:	Consent
Department:	Community Services	Division:	Tax Title
Contact(s):	Gary Thomas		
Phone:	503-988-3590	Ext.	22590
Presenter(s):	Gary Thomas	I/O Address:	5/1/Tax Title

General Information

1. What action are you requesting from the Board?

The Tax Title Section is requesting the Board to approve the sale of Six Tax Foreclosed Real Properties at public auction. The attached Exhibit A provides a map and photo of each property. Exhibit B provides a detailed surplus property list including the minimum bid price and Exhibit C gives an overview of each parcel. The Department of Community Services recommends that the public auction be approved.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

The Department, in order to assure the fiscal stability of the tax title fund, may identify properties to be sold at public auction and not available for donation to governments or non-profit housing sponsors, or open space preservation sponsors per Multnomah County Code Chapter 7.401(B).

3. Explain the fiscal impact (current year and ongoing).

The sale of these properties removes them from the County's ownership and maintenance requirements. The proceeds reimburse the County for any applicable Tax Title expenditures, reimburses any local municipalities for outstanding liens owing per the IGA and the remaining proceeds are distributed to the taxing districts.

4. Explain any legal and/or policy issues involved.

No legal issues are expected. The parcels will be sold "As Is" without guarantee of clear title.

5. Explain any citizen and/or other government participation that has or will take place.

Tax Title will send notification of the sale to all adjacent property owners prior to the sale.
Notification of the sale will also be sent to the City Auditor per ORS 275.130.

Required Signature

**Elected Official or
Department/
Agency Director:**



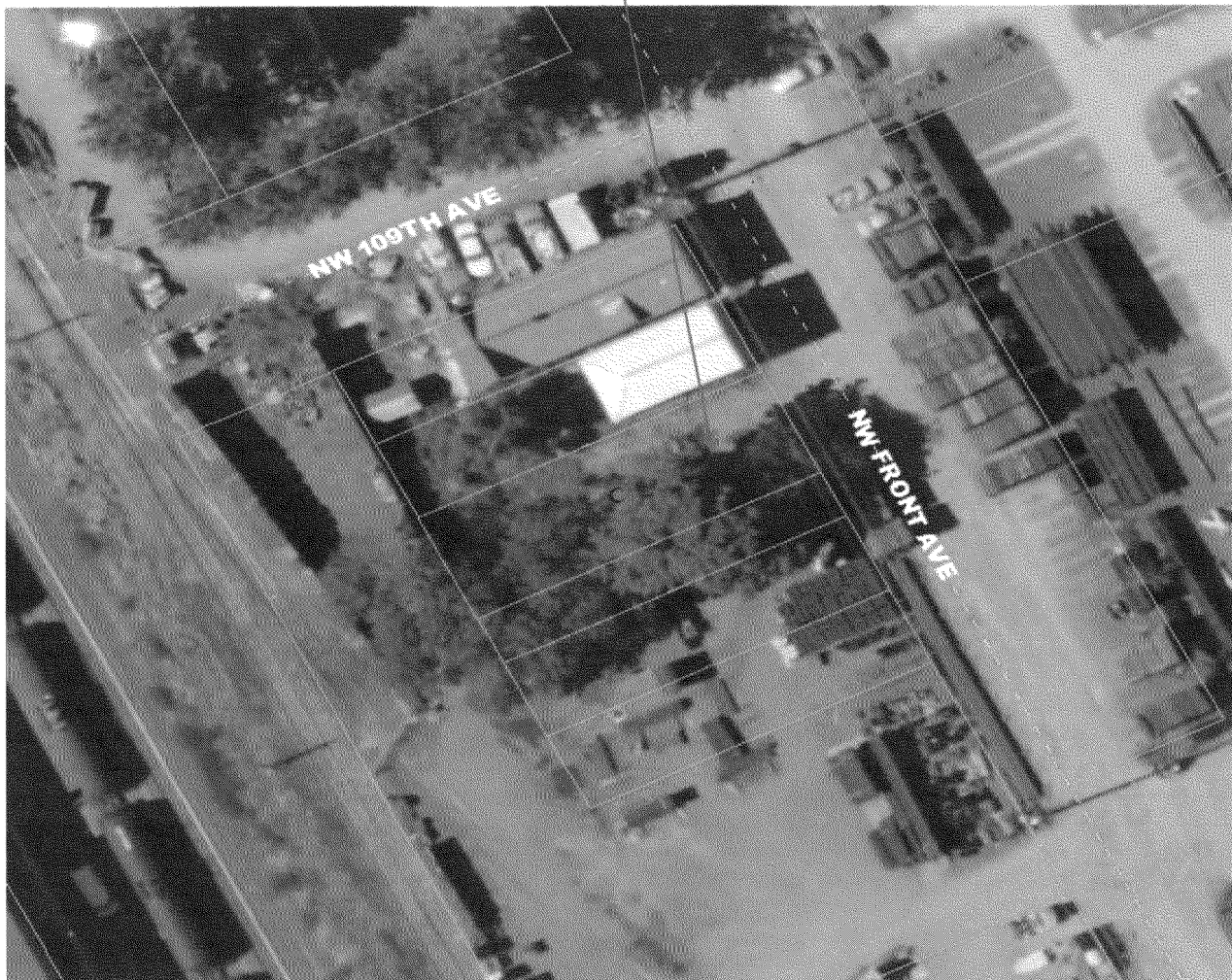
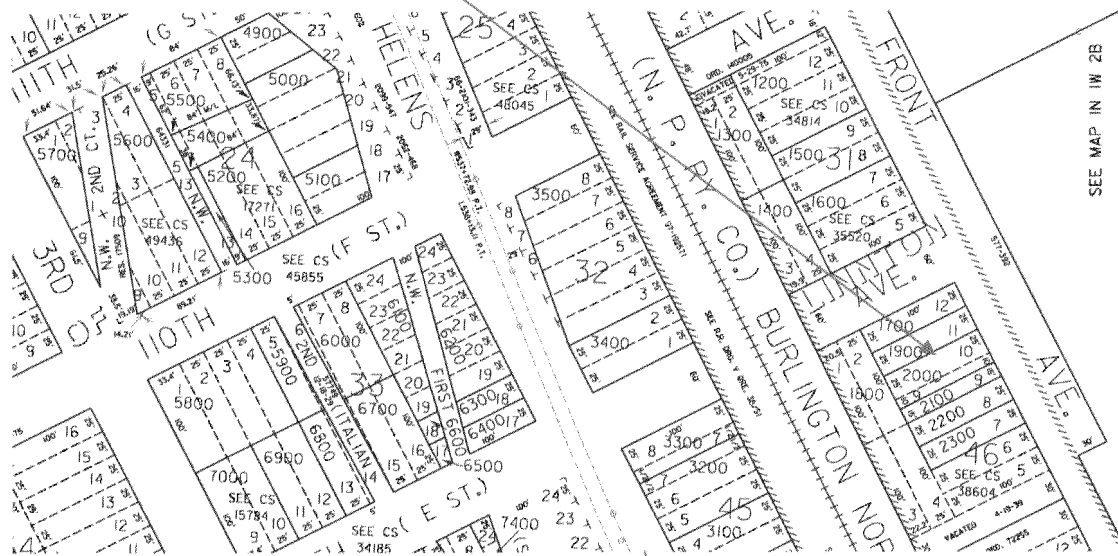
Date: 04/22/09

Property No.: 1
Tax Account Number R255548
Location: Adjacent to 11830 SE Flavel ST, Portland, OR 97266



Tax Account Number R288397

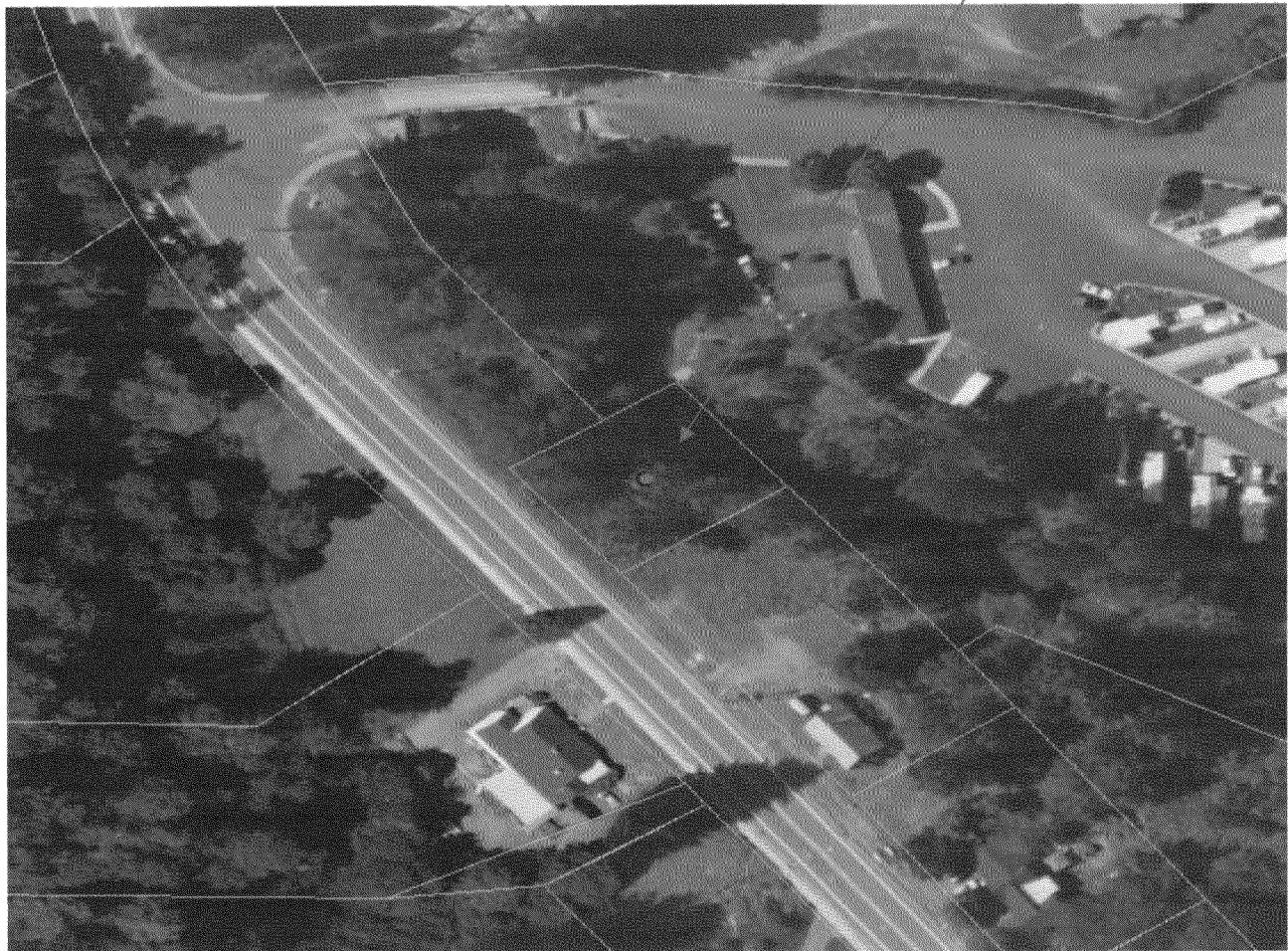
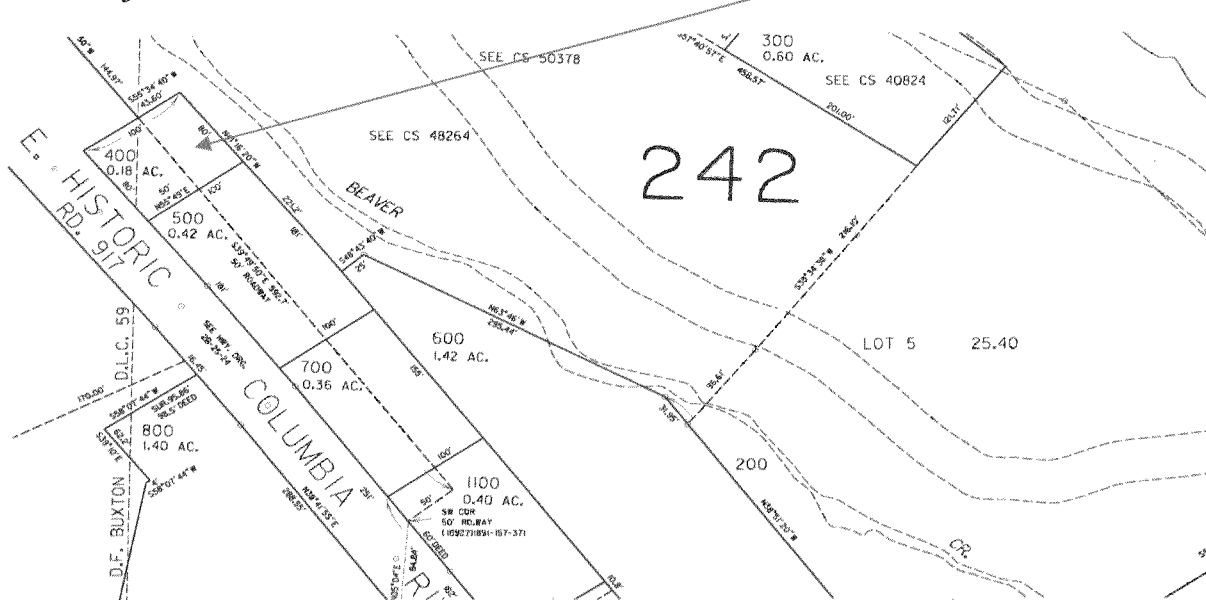
Location: Adjacent to 10829 NW Front Ave, Portland OR 97231



Property No.: 3

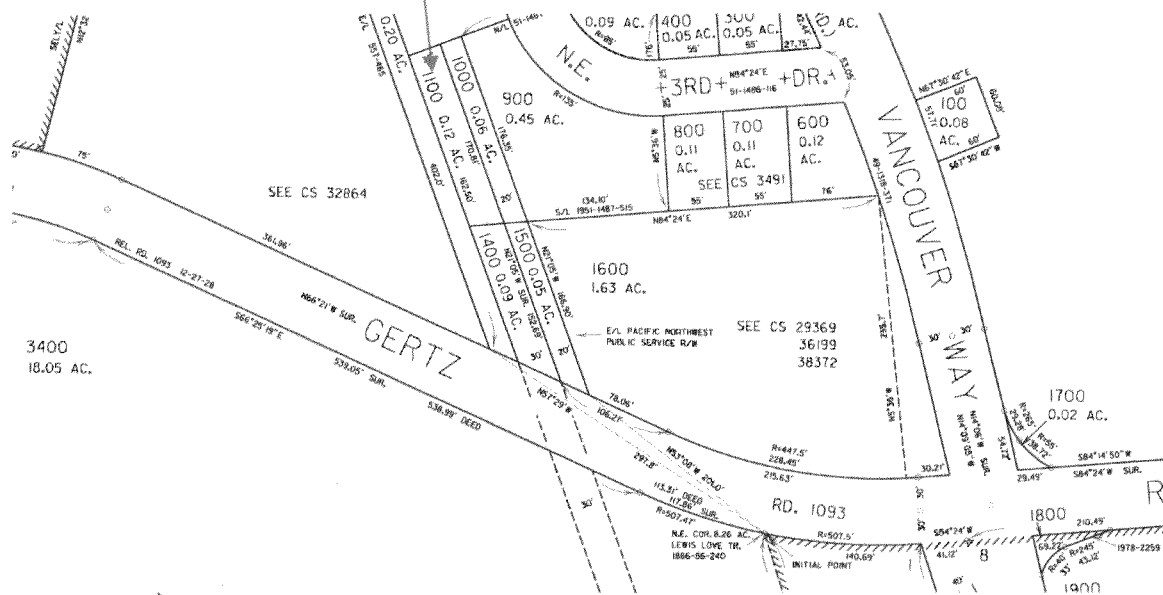
Tax Account Number R320571

Location: Adjacent to 649 East Historical Columbia River Highway, Troutdale, OR 97060



Property No.: 4

Tax Account Number R314947
 Location: Adjacent to 9451 NE 3RD DR, Portland, OR 97211



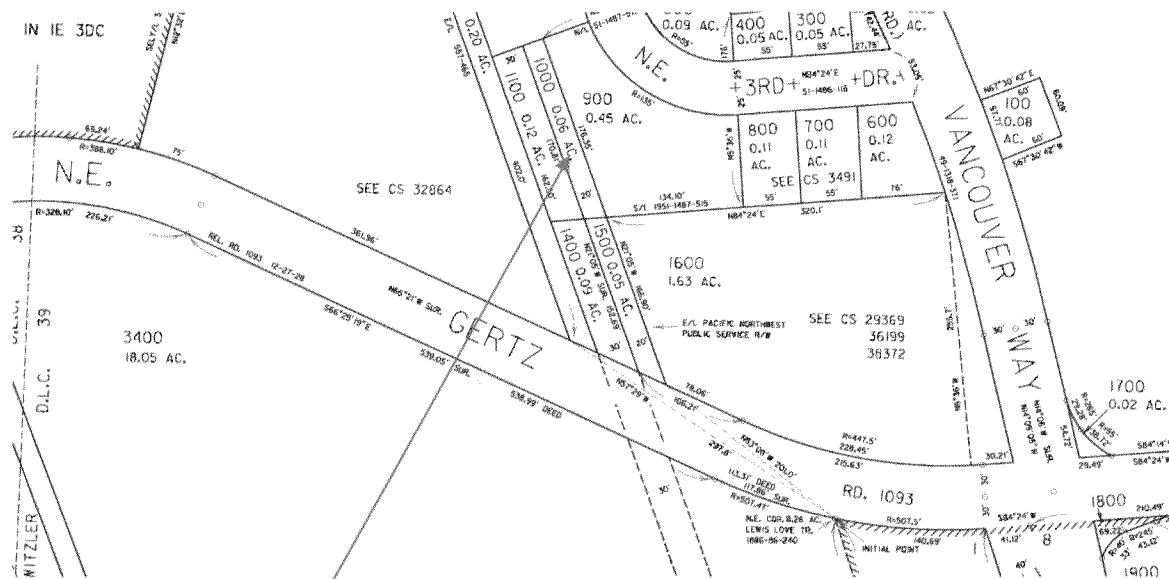
Subject



Property No.: 5

Tax Account Number R315016

Location: Adjacent to 9451 NE 3rd DR off of NE Gertz Rd Portland, OR 97211



Subject



Property No.: 6

Tax Account Number R124267

Location: Across from 16939 NW Wapato Ave, Portland OR 97231

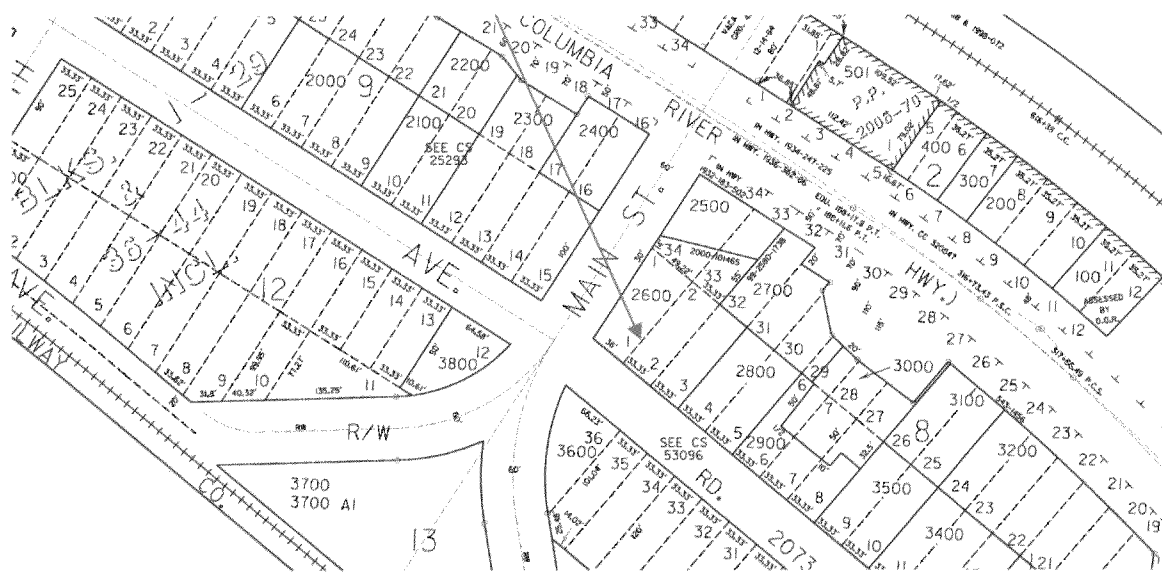


Exhibit B

SURPLUS PROPERTY LIST:

ITEM #	TAX ACCT NO/ STATE ID MAP NO.	PROPERTY LOCATION	ASSESSED VALUE	MINIMUM BID
1.	R-70510-1000 R255548 1S2E22DA Parcel 00500	Adjacent to 11830 SE Flavel ST Portland OR 97266	\$82,500	\$49,500
2.	R-83940-2620 R288397 1N1W03AD Parcel 02000	Adjacent to 10829 NW Front AVE Portland OR 97231	\$24,690	\$23,500
3.	R-94325-1100 R320571 1N3E25DB Parcel 00400	Adjacent to 649 East Historical Columbia River Highway Portland OR 97206	\$50,880	\$30,500
4.	R-94110-1300 R314947 1N1E10AA Parcel 01100	Adjacent to 9451 NE 3 RD DR Portland OR 97211	\$35,750	\$12,000
5.	R-94110-2000 R315016 1N1E10AA Parcel 01000	Adjacent to 9451 NE 3 RD DR Portland OR 97211	\$18,000	\$5,000
6.	R-11990-1640 R124267 2N1W20BB Parcel 02600	Across from 16939 NW Wapato AVE Portland OR 97231	\$87,500	\$52,500

Exhibit C

Proposed Auction Properties 2009

1. R255548 – Vacant Lot at Southwest corner of SE 119th & Flavel - The lot is more or less 91' x 154', contains approximately 14,161 square feet of area and is located on the SW corner of SE 119th Drive and SE Flavel. In 2000 we transferred the parcel to ROSE Community Development Corp. but they were unable to arrive at a proposal to develop it into affordable housing. The subject parcel is unique for the area because of the seasonal stream that flows near the west side of the lot. It is also wooded and brush covered and slopes up from north to south.
2. R288397 – A vacant lot approximately 35' x 100' located on an unimproved street the north of NW St Helens Road in an industrial area. A house, the former 10827 NW Front Ave, was removed from the property sometime in the 1990's. Zoning for the lot is IHi, Heavy Industrial, with a River Industrial overlay.
3. R320571 – Vacant Lot adjacent to 649 E Historical Columbia River Hwy, Troutdale – The lot came into county ownership through tax foreclosure on 9/27/07. It is more or less 80' x 100' and contains approximately 8,000 square feet of area. It gradually slopes down from the road and backs up to Beaver Creek, a year round creek. The lot is covered with brush and some large trees. Zoning is A-2, Apartment – Residential.
4. R314947 – Vacant strip more or less 30' wide by 171' long on one side and 162.5' long on the other side. Adjacent to another vacant strip owned by Multnomah County that is similar in size. Located near 9451 NE 3rd and near NE Gertz Road. Improvements on adjacent property may be encroaching onto subject property. Parcel is difficult to physically inspect because of location. The plat map and aerial photo provide a better indication of the location of the strip.
5. R315016 – Vacant strip more or less 20' wide by 171' long on one side and 176' long on the other side. Adjacent to another vacant strip owned by Multnomah County that is similar in size and to 9451 NE 3rd. Improvements on adjacent property may be encroaching onto subject property. Parcel is difficult to physically inspect because of location. The plat map and aerial photo provide a better indication of the location of the strip.
6. R124267 – Slightly irregular shaped vacant lot located off of NW St Helens Road at the end of NW Wapato Ave. A manufactured structure was formerly sited on the lot, the former 16948 NW Wapato. The lot, which has trees and brush on it, slopes down from Wapato to a level area and then slopes down a little further. It contains approximately 13,826 square feet and has a Multnomah County zoning designation of RC, Rural Center.

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

ORDER NO. _____

Authorizing the Public Sale of Tax Foreclosed Property

The Multnomah County Board of Commissioners Finds:

- a. Multnomah County has acquired through the foreclosure of liens for delinquent real property taxes, the six real property parcels described in the attached Exhibit A (the "Property").
- b. Title to the Property is now vested in Multnomah County as provided under ORS 312.270.
- c. The County does not need the Property for County purposes or uses; it is in the best interest of the County to offer the Property at a public sale in accordance with the provisions of ORS 275.110 through 275.190.

The Multnomah County Board of Commissioners Orders:

1. The Multnomah County Sheriff (MCSO) is directed to conduct a public sale of the Property in compliance with ORS 275.110 through ORS 275.190; for not less than the minimum bid/price set for each separate parcel as provided in Exhibit A.
2. MCSO shall coordinate with the County's Tax Title Division to determine the date and time of the public sale in compliance with ORS 275.140.
3. MCSO shall provide for notice of the public sale in compliance with ORS 275.120.
4. All parcel's sold at the public sale will be for cash, including the option of an earnest money agreement that requires payment of an earnest money deposit upon execution and payment of the outstanding balance in one additional payment as allowed under ORS 275.188 and ORS 275.190.

ADOPTED this 7th day of May, 2009.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Ted Wheeler, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By _____
Matthew O. Ryan, Assistant County Attorney

SUBMITTED BY:
M. Cecilia Johnson, Director, Dept. of Community Services

Exhibit A to Order No.

SIX TAX FORECLOSED PROPERTIES PROPOSED FOR PUBLIC SALE BY MULTNOMAH COUNTY

1. Legal Description: See Attached Exhibit A-1

Approximate Location: Adjacent to 11830 SE Flavel Street, Portland, Ore.
Tax Account Number: R255548
Minimum Bid/Price: \$49,500
Greenspace Designation: Open Space
Back Taxes & Expenses: \$9,425

2. Legal Description: Lot 10 and the Northwesternly 10 feet of Lot 9 Block 46
Town of Linnton

Approximate Location: Adjacent to 10829 NW Front Ave; Portland, Ore.
Tax Account Number: R288397
Minimum Bid/Price: \$23,500
Greenspace Designation: No Designation
Back Taxes & Expenses: \$61,865

3. Legal Description: See Attached Exhibit A-2

Approximate Location: Adjacent to 649 E Hist Columbia River HWY
Tax Account Number: R320571
Minimum Bid/Price: \$30,500
Greenspace Designation: Openspace
Back Taxes & Expenses: \$3,768

4. Legal Description: See Attached Exhibit A-3

Approximate Location: Adjacent to 9451 NE 3RD Dr. Portland, OR 97211
Tax Account Number: R314947
Minimum Bid/Price: \$12,000
Greenspace Designation: No Designation
Back Taxes & Expenses: \$3,894

5. Legal Description: See Attached Exhibit A-4

Approximate Location: Adjacent to 9451NE 3rd Dr. Portland, OR 97211
Tax Account Number: R315016
Minimum Bid/Price: \$5,000
Greenspace Designation: No Designation
Back Taxes & Expenses: \$3,473

Exhibit A Order (Continued)

SEVEN TAX FORECLOSED PROPERTIES PROPOSED FOR PUBLIC SALE BY MULTNOMAH COUNTY

6. Legal Description:	See Attached Exhibit A-5
Approximate Location:	Across from 16939NW Wapato Ave
Tax Account Number:	R124267
Minimum Bid/Price:	\$52,500
Greenspace Designation:	No Designation
Back Taxes & Expenses	\$5,916

EXHIBIT A-1

Tax Account R255548

Legal Description:

Lot 1, Block 3, RIDGEVIEW ESTATES, Multnomah County, Oregon

ALSO a tract of land in the Southeast ¼ of Section 22, T1S, R2E, W.M., Multnomah County, Oregon, described as follows:

Beginning at the Southwest corner of Lot 1, Block 3, RIDGEVIEW ESTATES, a duly recorded sub-division in Multnomah County; thence North along the West line of said Lot 1 to the Northwest corner thereof; thence West parallel with and 30 feet South of the North line of said Southeast ¼ section a distance of 50 feet; thence South parallel with and 50 feet West of said West line of said Lot 1, Block 3, a distance of 143.96 feet to the Northeast corner of Lot 1, Block 1, RIDGEVIEW ESTATES; thence East along the extension of Lot 1, Block 1 RIDGEVIEW ESTATES, a distance of 25 feet; thence South parallel with the West line of said Lot 1, Block 3 a distance of 20 feet, more or less, to a point on a 70 foot radius, non-tangent curve to the right; thence Easterly along the arc of said curve to the Southwest corner of said Lot 1, Block 3 and the point of beginning.

EXHIBIT A-2

Tax Account R320571

Legal Description:

A tract of land in the Southeast One-Quarter of Section 25, Township 1 North, Range 3 East of the Willamette Meridian, Multnomah County, Oregon described as follows:

The Northerly 80 feet of the following described tract of land:

Beginning at the Southwest corner of the tract of land first described in deed from A.W. Lambert to Charles R. Knarr, recorded October 12, 1922 in Book 899 page 322, Deed Records of Multnomah County, Oregon; running thence North 37°11' West, along the Easterly line of Columbia River Highway, a distance of 359.2 feet to a point; thence continuing along the Easterly line of said Columbia River Highway, a distance of 512.00 feet to a point; thence North 55° 49' East, a distance of 100 feet to a point; thence Southerly, parallel with the line herein first described to the Southerly line of the aforesaid first described tract in the aforesaid deed from Lambert to Knarr; thence West, along the Southerly line of said tract, a distance of 100 feet to the place of beginning.

EXHIBIT A-3

Tax Account R314947

Legal Description:

A tract of land in the Northeast quarter of the Northeast quarter of Section 10, Township 1 North, Range 1 South, Willamette Meridian, County of Multnomah, State of Oregon, said parcel being more particularly described as follows:

That portion of the former Portland Electric Power Company's vacated right-of-way conveyed to T.G. Donaca by deed recorded on July 12, 1944 in Book 851, page 194 Deed Records, lying between a Westerly extension of the most Northerly line and a Westerly extension of the most Southerly line of the foregoing described property:

Beginning at the Northeast corner of the 8.26 acre tract of land conveyed to Lewis Love by deed recorded June 4, 1886, in Book 86, page 240, Deed records of Multnomah County, Oregon; thence North 53°08' West to the intersection of the North line of Gertz Road (County Road No. 1093) and the east line of the Pacific Northwest Public Service right-of-way; thence North

21°05' West along the East line of said right-of-way 166.9 feet to the true point of beginning; thence North 84°24' East 134.1 feet; thence North 5°36' West 176 feet; thence North 36°02'30" West 44.89 feet; thence South 68°55' West 163.11 feet to the East line of said right-of-way; thence South 21° of West along said East line 176.35 feet to the true point of beginning, excepting that portion within the boundary of NE 3rd Drive, dedicated to the public by deed recorded July 10, 1951 in Book 1486 page 116 Deed records.

EXHIBIT A-4

Tax Account R315016

Legal Description:

A tract of land in the Northeast quarter of the Northeast quarter of Section 10, Township 1 North, Range 1 South, Willamette Meridian, County of Multnomah, State of Oregon, said parcel being more particularly described as follows:

Commencing at the intersection of the East line of the Pacific Northwest Public Service right-of-way and the North line of NE Gertz Rd. (County Rd. No. 1093) thence running North 21°05' West 166.9 feet to the true point of beginning; thence continuing North 21°05' West 176.35 feet; thence South 68° 55' East 170.81 feet; thence North 84°24' East 20 feet, more or less, to the true point of beginning.

EXHIBIT A-5

Tax Account R124267

Legal Description:

All of Lots 1, 2 and 3, of Block 8, Burlington, in the City of Portland, County of Multnomah and State of Oregon, and that portion of Lots 33 and 34, Block 8, Burlington described as follows:

Beginning at the most Southerly corner of said Lot 33; thence Northeasterly along the Easterly line of said Lot 33, 55 feet more or less; thence in a Northwesterly direction to a point 14 feet more or less Northeasterly of the most Westerly corner of Lot 34 and located on the Westerly line of said Lot 34; thence in a Southwesterly direction along the Westerly line said Lot 34, 14 feet more or less to the most Westerly corner of said Lot 34; thence Southeasterly along the Southwesterly lines of said Lots 34 and 33 to the true point of beginning.

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

ORDER NO. 09-050

Authorizing the Public Sale of Tax Foreclosed Property

The Multnomah County Board of Commissioners Finds:

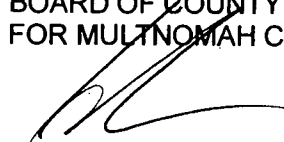
- a. Multnomah County has acquired through the foreclosure of liens for delinquent real property taxes, the six real property parcels described in the attached Exhibit A (the "Property").
- b. Title to the Property is now vested in Multnomah County as provided under ORS 312.270.
- c. The County does not need the Property for County purposes or uses; it is in the best interest of the County to offer the Property at a public sale in accordance with the provisions of ORS 275.110 through 275.190.

The Multnomah County Board of Commissioners Orders:

1. The Multnomah County Sheriff (MCSO) is directed to conduct a public sale of the Property in compliance with ORS 275.110 through ORS 275.190; for not less than the minimum bid/price set for each separate parcel as provided in Exhibit A.
2. MCSO shall coordinate with the County's Tax Title Division to determine the date and time of the public sale in compliance with ORS 275.140.
3. MCSO shall provide for notice of the public sale in compliance with ORS 275.120.
4. All parcel's sold at the public sale will be for cash, including the option of an earnest money agreement that requires payment of an earnest money deposit upon execution and payment of the outstanding balance in one additional payment as allowed under ORS 275.188 and ORS 275.190.

ADOPTED this 7th day of May, 2009.

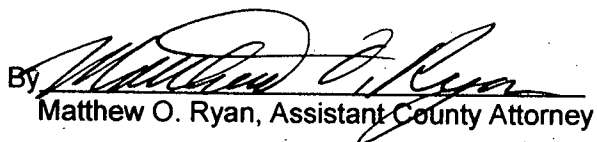
BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON



Ted Wheeler, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 
Matthew O. Ryan, Assistant County Attorney

SUBMITTED BY:
M. Cecilia Johnson, Director, Dept. of Community Services

Exhibit A to Order No.

SIX TAX FORECLOSED PROPERTIES PROPOSED FOR PUBLIC SALE BY MULTNOMAH COUNTY

1. Legal Description: See Attached Exhibit A-1

Approximate Location: Adjacent to 11830 SE Flavel Street, Portland, Ore.
Tax Account Number: R255548
Minimum Bid/Price: \$49,500
Greenspace Designation: Open Space
Back Taxes & Expenses: \$9,425

2. Legal Description: Lot 10 and the Northwesterly 10 feet of Lot 9 Block 46
Town of Linnton

Approximate Location: Adjacent to 10829 NW Front Ave; Portland, Ore.
Tax Account Number: R288397
Minimum Bid/Price: \$23,500
Greenspace Designation: No Designation
Back Taxes & Expenses: \$61,865

3. Legal Description: See Attached Exhibit A-2

Approximate Location: Adjacent to 649 E Hist Columbia River HWY
Tax Account Number: R320571
Minimum Bid/Price: \$30,500
Greenspace Designation: Openspace
Back Taxes & Expenses: \$3,768

4. Legal Description: See Attached Exhibit A-3

Approximate Location: Adjacent to 9451 NE 3RD Dr. Portland, OR 97211
Tax Account Number: R314947
Minimum Bid/Price: \$12,000
Greenspace Designation: No Designation
Back Taxes & Expenses: \$3,894

5. Legal Description: See Attached Exhibit A-4

Approximate Location: Adjacent to 9451NE 3rd Dr. Portland, OR 97211
Tax Account Number: R315016
Minimum Bid/Price: \$5,000
Greenspace Designation: No Designation
Back Taxes & Expenses: \$3,473

Exhibit A Order (Continued)

**SEVEN TAX FORECLOSED PROPERTIES
PROPOSED FOR PUBLIC SALE BY MULTNOMAH COUNTY**

- | | |
|-------------------------|--------------------------------|
| 6. Legal Description: | See Attached Exhibit A-5 |
| Approximate Location: | Across from 16939NW Wapato Ave |
| Tax Account Number: | R124267 |
| Minimum Bid/Price: | \$52,500 |
| Greenspace Designation: | No Designation |
| Back Taxes & Expenses | \$5,916 |

EXHIBIT A-1

Tax Account R255548

Legal Description:

Lot 1, Block 3, RIDGEVIEW ESTATES, Multnomah County, Oregon

ALSO a tract of land in the Southeast $\frac{1}{4}$ of Section 22, T1S, R2E, W.M., Multnomah County, Oregon, described as follows:

Beginning at the Southwest corner of Lot 1, Block 3, RIDGEVIEW ESTATES, a duly recorded sub-division in Multnomah County; thence North along the West line of said Lot 1 to the Northwest corner thereof; thence West parallel with and 30 feet South of the North line of said Southeast $\frac{1}{4}$ section a distance of 50 feet; thence South parallel with and 50 feet West of said West line of said Lot 1, Block 3, a distance of 143.96 feet to the Northeast corner of Lot 1, Block 1, RIDGEVIEW ESTATES; thence East along the extension of Lot 1, Block 1 RIDGEVIEW ESTATES, a distance of 25 feet; thence South parallel with the West line of said Lot 1, Block 3 a distance of 20 feet, more or less, to a point on a 70 foot radius, non-tangent curve to the right; thence Easterly along the arc of said curve to the Southwest corner of said Lot 1, Block 3 and the point of beginning.

EXHIBIT A-2

Tax Account R320571

Legal Description:

A tract of land in the Southeast One-Quarter of Section 25, Township 1 North, Range 3 East of the Willamette Meridian, Multnomah County, Oregon described as follows:

The Northerly 80 feet of the following described tract of land:

Beginning at the Southwest corner of the tract of land first described in deed from A.W. Lambert to Charles R. Knarr, recorded October 12, 1922 in Book 899 page 322, Deed Records of Multnomah County, Oregon; running thence North $37^{\circ}11'$ West, along the Easterly line of Columbia River Highway, a distance of 359.2 feet to a point; thence continuing along the Easterly line of said Columbia River Highway, a distance of 512.00 feet to a point; thence North $55^{\circ}49'$ East, a distance of 100 feet to a point; thence Southerly, parallel with the line herein first described to the Southerly line of the aforesaid first described tract in the aforesaid deed from Lambert to Knarr; thence West, along the Southerly line of said tract, a distance of 100 feet to the place of beginning.

EXHIBIT A-3

Tax Account R314947

Legal Description:

A tract of land in the Northeast quarter of the Northeast quarter of Section 10, Township 1 North, Range 1 South, Willamette Meridian, County of Multnomah, State of Oregon, said parcel being more particularly described as follows:

That portion of the former Portland Electric Power Company's vacated right-of-way conveyed to T.G. Donaca by deed recorded on July 12, 1944 in Book 851, page 194 Deed Records, lying between a Westerly extension of the most Northerly line and a Westerly extension of the most Southerly line of the foregoing described property:

Beginning at the Northeast corner of the 8.26 acre tract of land conveyed to Lewis Love by deed recorded June 4, 1886, in Book 86, page 240, Deed records of Multnomah County, Oregon; thence North $53^{\circ}08'$ West to the intersection of the North line of Gertz Road (County Road No. 1093) and the east line of the Pacific Northwest Public Service right-of-way; thence North

21°05' West along the East line of said right-of-way 166.9 feet to the true point of beginning; thence North 84°24' East 134.1 feet; thence North 5°36' West 176 feet; thence North 36°02'30" West 44.89 feet; thence South 68°55' West 163.11 feet to the East line of said right-of-way; thence South 21° of West along said East line 176.35 feet to the true point of beginning, excepting that portion within the boundary of NE 3rd Drive, dedicated to the public by deed recorded July 10, 1951 in Book 1486 page 116 Deed records.

EXHIBIT A-4

Tax Account R315016

Legal Description:

A tract of land in the Northeast quarter of the Northeast quarter of Section 10, Township 1 North, Range 1 South, Willamette Meridian, County of Multnomah, State of Oregon, said parcel being more particularly described as follows:

Commencing at the intersection of the East line of the Pacific Northwest Public Service right-of-way and the North line of NE Gertz Rd. (County Rd. No. 1093) thence running North 21°05' West 166.9 feet to the true point of beginning; thence continuing North 21°05' West 176.35 feet; thence South 68° 55' East 170.81 feet; thence North 84°24' East 20 feet, more or less, to the true point of beginning.

EXHIBIT A-5

Tax Account R124267

Legal Description:

All of Lots 1, 2 and 3, of Block 8, Burlington, in the City of Portland, County of Multnomah and State of Oregon, and that portion of Lots 33 and 34, Block 8, Burlington described as follows:

Beginning at the most Southerly corner of said Lot 33: thence Northeasterly along the Easterly line of said Lot 33, 55 feet more or less; thence in a Northwesterly direction to a point 14 feet more or less Northeasterly of the most Westerly corner of Lot 34 and located on the Westerly line of said Lot 34; thence in a Southwesterly direction along the Westerly line said Lot 34, 14 feet more or less to the most Westerly corner of said Lot 34; thence Southeasterly along the Southwesterly lines of said Lots 34 and 33 to the true point of beginning.



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

Board Clerk Use Only

Meeting Date: 05/07/09
Agenda Item #: C-4
Est. Start Time: 9:00 AM
Date Submitted: 04/29/09

Agenda Title: **ORDER Authorizing Designees of the Mental Health Program Director to Direct a Peace Officer to Take an Allegedly Mentally Ill Person into Custody**

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.

Requested Meeting Date: May 7, 2009 Amount of Time Needed: N/A
Department: DCHS Division: MHASD
Contact(s): Jean Dentinger/Karen Zarosinski (X 26468)
Phone: (503) 988-5464 Ext. 27297 I/O Address: 167/1/520
Presenter(s): Consent Calendar

General Information

1. What action are you requesting from the Board?

Requesting adoption of order and approval of designees. The Mental Health and Addiction Services Division is recommending approval of the designees in the accordance with ORS 426.215.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

Outpatient mental health agencies depend upon certain staff having the ability to assess clients for "Director Designee Custody". This certification allows the designee to direct a police officer or secure transportation provider to take into custody any individual with mental health issues who is found to be dangerous to self or to others. Police then transport the individual to a hospital or other approved treatment facility for further evaluation. As agencies experience staffing turnover or increases, new staff need to be trained and certified as designees.

3. Explain the fiscal impact (current year and ongoing).

None.

4. Explain any legal and/or policy issues involved.

In accordance with ORS 426.215.

5. Explain any citizen and/or other government participation that has or will take place.

None.

Required Signature

Elected Official or
Department/
Agency Director:

Date: 04/28/09

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

ORDER NO. _____

Authorizing a Designee of the Mental Health Program Director to Direct a Peace Officer to Take an Allegedly Mentally Ill Person into Custody

The Multnomah County Board of Commissioners Finds:

- a) If authorized by a county governing body, a designee of a mental health program director may direct a peace officer to take into custody a person whom the designee has probable cause to believe is dangerous to self or others and whom the designee has probable cause to believe is in need of immediate care, custody, and treatment of mental illness.
- b) There is a current need for specified designees of the Multnomah County Mental Health Program Director to have the authority to direct a peace officer to take an allegedly mentally ill person into custody.
- c) The designee listed below has been specifically recommended by the Mental Health Program Director and meets the standards established by the Mental Health Division.

The Multnomah County Board of Commissioners Orders:

1. The individual listed below is authorized as a designee of the Mental Health Program Director for Multnomah County to direct any peace officer to take into custody a person whom the designee has probable cause to believe is dangerous to self or others and whom the designee has probable cause to believe is in need of immediate care, custody or treatment for mental illness.
2. Added to the list of designees are:

Allen Hall	Amy Vance	Jennifer Booth	Athena Dickau
Sheena Nelson	Marsha Andrews	Kimberly Porter	Cheryl Zechmann
Tiffany Rosenberger			

ADOPTED this 7th day of May, 2009.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Ted Wheeler, Chair

REVIEWED:

AGNES SOWLES, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

BY: _____
Patrick Henry, Assistant County Attorney

SUBMITTED BY:
Joanne Fuller, Director, Dept. of County Human Services

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

ORDER NO. 09-051

Authorizing a Designee of the Mental Health Program Director to Direct a Peace Officer to Take an Allegedly Mentally Ill Person into Custody

The Multnomah County Board of Commissioners Finds:

- a) If authorized by a county governing body, a designee of a mental health program director may direct a peace officer to take into custody a person whom the designee has probable cause to believe is dangerous to self or others and whom the designee has probable cause to believe is in need of immediate care, custody, and treatment of mental illness.
- b) There is a current need for specified designees of the Multnomah County Mental Health Program Director to have the authority to direct a peace officer to take an allegedly mentally ill person into custody.
- c) The designee listed below has been specifically recommended by the Mental Health Program Director and meets the standards established by the Mental Health Division.

The Multnomah County Board of Commissioners Orders:

1. The individual listed below is authorized as a designee of the Mental Health Program Director for Multnomah County to direct any peace officer to take into custody a person whom the designee has probable cause to believe is dangerous to self or others and whom the designee has probable cause to believe is in need of immediate care, custody or treatment for mental illness.
2. Added to the list of designees are:

Allen Hall	Amy Vance	Jennifer Booth	Athena Dickau
Sheena Nelson	Marsha Andrews	Kimberly Porter	Cheryl Zechmann
Tiffany Rosenberger			

ADOPTED this 7th day of May, 2009.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON



Ted Wheeler, Chair

REVIEWED:

AGNES SOWLES, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

BY: 

Patrick Henry, Assistant County Attorney

SUBMITTED BY:
Joanne Fuller, Director, Dept. of County Human Services



MULTNOMAH COUNTY

AGENDA PLACEMENT REQUEST (revised 09/22/08)

Board Clerk Use Only

Meeting Date: 05/07/09
Agenda Item #: R-1
Est. Start Time: 9:00 AM
Date Submitted: 04/27/09

Agenda Title: First Reading of a Proposed ORDINANCE Amending Multnomah County Code Sections 11.300, 11.301 and 11.304 Relating to Motor Vehicle Rental Tax

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title sufficient to describe the action requested.

Requested Meeting Date: May 7, 2009 Amount of Time Needed: 30 minutes
Department: Non-Departmental Division: Commissioner Jeff Cogen
Contact(s): Karol Collymore
Phone: 503 988-6786 Ext. 8-6786 I/O Address: 503/600
Presenter(s): Mark Campbell

General Information

1. What action are you requesting from the Board?

Request approval of first reading of a proposed ordinance change to MCC §11.300 - §11.301 and §11.304 relating to the Motor Vehicle Rental Tax (MVRT). The ordinance will increase the existing tax rate from 12.5% to 17%. It increases the base tax rate from 10% to 14.5% and dedicates the 4.5% increase to the County General Fund.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

The Motor Vehicle Rental Tax was originally established for a three year period in 1976 and was extended indefinitely in 1979. The tax is imposed on individuals who rent motor vehicles in Multnomah County. Rental car agencies remit the tax to the County.

The rate was set at 10% of the rental fee charged by rental car agencies or other commercial establishments. It remained at 10% until April, 2000. That portion of the tax has been a dedicated General Fund resource since it has been in place. In FY 2008, the 10% motor vehicle rental tax **generated \$13.4 million**. It is currently the third largest source of revenue in the General Fund (excluding Beginning Working Capital).

In April, 2000 the tax was increased from 10% to 12.5% to support bond payments associated with expansion of the Oregon Convention Center, renovations to Civic Stadium (PGE Park), and improvements to the Portland Center for the Performing Arts. The additional 2.5% motor vehicle rental tax **generated approximately \$3.4 million** in FY 2008 and it is scheduled to sunset upon retirement of the bonds issued for the projects described above.

3. Explain the fiscal impact (current year and ongoing).

Based on projections developed for the FY 2010 budget, a 4.5% increase in the base motor vehicle rental tax rate will generate approximately \$4.7 million. This revenue has been included in the County Chair's Proposed Budget which was released on April 23, 2009.

Over the five year forecast period General Fund revenue is expected to range from a low of \$4.7 million to a high of \$5.5 million. The forecast assumes that motor vehicle rental tax revenue will experience 3% annual growth.

4. Explain any legal and/or policy issues involved.

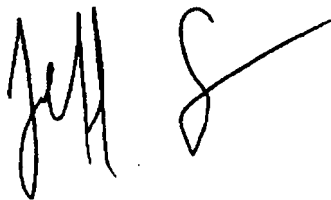
The Board has the authority to increase the existing tax by ordinance. If the first reading of this ordinance is approved the second reading will be held on May 14, 2009.

5. Explain any citizen and/or other government participation that has or will take place.

N/A

Required Signature

Elected Official or
Department/
Agency Director:

A handwritten signature in black ink, appearing to be 'JH S', is written over a horizontal line.

Date: 04/27/09

MOTOR VEHICLE RENTAL TAX

§ 11.300- DEFINITIONS.

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

CAR SHARING ORGANIZATION. A profit or non-profit organization with membership requirements that provides the use of motor vehicles exclusively to its members for a fee.

COMMERCIAL ESTABLISHMENT. Any person or other entity, any part of whose business consists of providing the use of motor vehicles for a rental fee.

DIRECTOR. The Finance Director of the county.

DOING BUSINESS IN THE COUNTY. Any of the following conduct by a commercial establishment whose business address is within or outside the county:

(1) Delivery of a rented vehicle to a location within the county for use by a person within the county; or

(2) Presenting for execution within the county by any person a car rental agreement.

EXEMPTION AREA. Multnomah, Washington and Clackamas Counties.

MOTOR VEHICLE. Without limitation, automobiles, trucks having a manufacturer's gross vehicle weight not exceeding 24,000 pounds, motor homes, motorcycles, pickup campers and any motorized passenger vehicles designed to carry fewer than ten persons, which are capable of being used on the highways of the state.

REGIONAL CHILDREN'S CAMPUS (RCC) BONDS AND PARITY OBLIGATIONS. (a) County Revenue Bonds, Series 1998 (Regional Children's Campus, Inc.) that are dated October 1, 1998, (b) Motor Vehicle Rental Tax Revenue Bonds, Series 2000A and 2000B dated November 1, 2000, (c) any obligations issued to refund obligations described in clause (a) or (b) of this definition.

RENTAL FEE. The gross fee and charges, whatever the basis of their calculation, paid to a commercial establishment by any person for the rental of a motor vehicle.

RENTAL or RENTING. Obtaining in the county the use of a motor vehicle from a commercial establishment in the county for a rental fee, and includes all services, supplies and commodities furnished by the commercial establishment in connection with providing the use of the vehicle, but does not include leasing or other transactions where title of a motor vehicle is permanently or temporarily transferred from the commercial establishment to any other person or entity.

YEAR ONE. Fiscal Year 2000-2001.

(Ord. 957, Amended, 01/25/2001; Ord. 942, Amended, 02/17/2000; Ord. 934, Amended, 07/29/1999; '90 Code, § 5.40.010, 07/01/1998; Ord. 849, passed, 04/11/1996; Ord. 627, passed, 08/17/1989; Ord. 519, passed, 06/19/1986; Ord. 417, passed, 05/01/1984; Ord. 407, passed, 12/11/1983; Ord. 122, passed, 04/15/1976)

§ 11.301 IMPOSITION OF TAX.

(A) A tax is imposed on every person renting a motor vehicle from a commercial establishment doing business in the county, if the rental is for a period of 30 days or less. A rental must have a duration of 30 days or less if the actual possession or use by the person renting the vehicle terminates not later than the end of a 30-day period or if any contract governing the rental has a duration of 30 days or less.

(B) The base rate of the tax imposed by subsection (A) is equal to 14.5% of the rental fee charged by the commercial establishment for the rental.

(C) The surcharge rate of the tax imposed by subsection (A) is equal to 2.5% of the rental fee charged by the commercial establishment for the rental. This 2.5% surcharge will terminate if the 2.5% transient lodging tax imposed by § 11.401(E) is terminated before the issuance of the bonds defined in § 11.400.

(D) If, with respect to any rental fee, the tax imposed under this section does not equal an amount calculable to a whole cent, the commercial establishment must charge a tax equal to the next highest whole cent. However, the amount remitted to the Director by the commercial establishment for each quarter must equal 17% of the total rental fees collected by the commercial establishment during the quarter.

Penalty, see § 11.399

(Ord. 942, Amended, 02/17/2000; ' 90 Code, § 5.40.050, 07/01/1998; Ord. 849, passed, 04/11/1996; Ord. 407, passed, 12/11/1983; Ord. 122, passed, 04/15/1976)

§ 11.302 COLLECTION OF TAX; REMITTANCE RECORDS; TAX AS DEBT.

(A) The commercial establishment must collect the tax imposed by § 11.301 at the time it collects a rental fee.

(B) On or before the last business day of January, April, July and October of each year, each commercial establishment must remit to the Director all taxes collected during the preceding calendar quarter. The remittance must be accompanied by a report showing:

(1) The amount of the rental fees collected by the commercial establishment during the preceding quarter;

(2) The amount, if any, of those rental fees that is attributable to and identified on the records or billings of the commercial establishment for gasoline sales;

(3) Such further information as the Director may prescribe;

(C) The report and all such additional information as required from the commercial establishment accompanying remittance of the collected tax is exempt from public disclosure and remains confidential in the possession of the Director.

(D) All commercial establishments must maintain accurate records of rental fees assessed and of taxes collected, and such records are subject to review, inspection and audit within the county by the Director or the director's designee at all reasonable times.

(E) The commercial establishment that rents a vehicle in the county is responsible for remittance of the tax, based on the total rental fee, wherever collected, as well as maintenance of the appropriate records of the fees.

(F) The tax imposed by § 11.301 is a debt owed by the commercial establishment to the county until remitted under this section.

Penalty, see § 11.399

(Ord. 942, Amended, 02/17/2000; ' 90 Code, § 5.40.075, 07/01/1998; Ord. 849, passed, 04/11/1996; Ord. 592, passed, 09/29/1988; Ord. 407, passed, 12/11/1983; Ord. 122, passed, 04/15/1976)

§ 11.303 TAX EVASION OR DEFICIENCY DETERMINATION.

(A) If the Director determines that the report required in § 11.302(B) has not been filed or is incorrect, the Director may compute and determine the amount required to be paid upon the basis of the facts contained in any report or reports, or upon the basis of any available information. One or more deficiency or evasion determinations may be made of the amount due for one or more than one period. The amount so determined is due and pay-able immediately upon service

of notice, after which the amount determined is delinquent. Penalties on deficiencies will be applied under § 11.399.

(B) In making a determination, the Director may offset any overpayments previously made for a period or periods, against any under-payment for a subsequent period or periods, or against penalties and interest on the underpayments. Interest on underpayments will accrue at the rate of one percent per month pro rata from the date the tax became delinquent until the date paid.

(C) The Director will give written determination notice to the commercial establishment, served personally or by certified mail. If mail service is employed, service is deemed made upon mailing.

(D) Except where fraud or intent to evade this subchapter exists, every deficiency determination must be made and notice given within three years after the last day of the month following the close of the quarterly reporting period for which the amount is proposed to be determined, or within three years after the report reflecting an underpayment is filed, whichever period expires later.

Penalty, see § 11.399

(Ord. 942, Amended, 02/17/2000; '90 Code, § 5.40.080, 07/01/1998; Ord. 849, passed, 04/11/1996; Ord. 592, passed, 09/29/1988; Ord. 407, passed, 12/11/1983)

§ 11.304 USE OF TAXES.

(A) The 14.5% base taxes collected under this subchapter are general fund revenues of the county, except that the portion of taxes attributable to gasoline sales are subject to the limitations on use prescribed by the constitution and laws of the state.

(B) All 2.5% surcharge taxes collected under this subchapter will be deposited in the Visitors Facilities Trust Account (VFTA) created by 11.401(E) and allocated as provided by 11.401(E)(4). The Board is authorized under Home Rule authority to enter an intergovernmental agreement with the City of Portland to pledge the County to maintain this surcharge to pay the bonds and other obligations identified in 11.401(E). Such pledge is binding under ORS 288.594 from April 1, 2000 as long as the 11.401(E) bonds are outstanding.

(Ord. 957, Amended, 01/25/2001; Ord. 942, Amended, 02/17/2000; '90 Code, § 5.40.100, 07/01/1998; Ord. 122, passed, 04/15/1976)

§ 11.305 EXEMPTIONS.

The tax imposed by 11.301 is not applicable to:

(A) A rental fee that state or federal law exempts from the tax.

(B) A rental fee for a motor vehicle used for official governmental business by an employee of the federal government.

(C) A motor vehicle rented by a resident of the exemption area to temporarily replace a vehicle being repaired or serviced.

(D) A motor vehicle rented in the county by a member of a car sharing organization who is a resident of the exemption area

(Ord. 942, Amended, 02/17/2000; Ord. 934, Amended, 07/29/1999; '90 Code, § 5.40.125, 07/01/1998; Ord. 627, passed, 08/17/1989; Ord. 592, passed, 09/29/1988; Ord. 122, passed, 04/15/1976)

§ 11.306 LICENSE REQUIRED.

Every commercial establishment shall be required to obtain from the Director a one-time only, non-transferable, non-renewable license for its operation in the county. A license shall be required for each site within the county. The Director shall collect a fee in an amount set by Board resolution for each license issued.

Penalty, see § 11.399

('90 Code, § 5.40.150, 07/01/1998; Ord. 849, passed, 04/11/1996; Ord. 592, passed, 09/29/1988; Ord. 407, passed, 12/11/1983; Ord. 122, passed, 04/15/1976)

§ 11.307 DIRECTOR'S RULES.

The Director is authorized to establish rules and procedures for the implementation and enforcement of this subchapter.

('90 Code, § 5.40.175, 07/01/1998; Ord. 122, passed, 04/15/1976)

§ 11.399 PENALTY.

(A) In addition to any other penalties prescribed by law, any commercial establishment which fails to collect and remit all taxes collected by it or otherwise fails to comply with this subchapter shall be subject to a penalty equal to 50% of any deficiency in the taxes remitted by it, or to such lesser penalty as the director may assess.

(B) The penalty imposed by division (A) of this section shall be a debt owed by the commercial establishment to the county.

(C) Any person who willfully violates any provision of this subchapter shall, upon conviction, be subject to a fine of not more than \$500, imprisonment in the county jail for not more than six months, or both.

('90 Code, § 5.40.900, 07/01/1998; Ord. 122, passed, 04/15/1976)

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

ORDINANCE NO. _____

Amending MCC §§ 11.300, 11.301 and 11.304 Relating to Motor Vehicle Rental Tax

(Language ~~stricken~~ is deleted; double underlined language is new.)

Multnomah County Ordains as follows:

Section 1. MCC §§ 11.300, 11.301 and 11.304 are amended as follows:

11.300* MOTOR VEHICLE RENTAL TAX

11.300- Definitions.

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

CAR SHARING ORGANIZATION. A profit or non-profit organization with membership requirements that provides the use of motor vehicles exclusively to its members for a fee.

COMMERCIAL ESTABLISHMENT. Any person or other entity, any part of whose business consists of providing the use of motor vehicles for a rental fee.

DIRECTOR. The Chief Financial Officer of the county.

DOING BUSINESS IN THE COUNTY. Any of the following conduct by a commercial establishment whose business address is within or outside the county:

- (1) Delivery of a rented vehicle to a location within the county for use by a person within the county; or
- (2) Presenting for execution within the county by any person a car rental agreement.

EXEMPTION AREA. Multnomah, Washington and Clackamas Counties.

MOTOR VEHICLE. Without limitation, automobiles, trucks having a manufacturer's gross vehicle weight not exceeding 24,000 pounds, motor homes, motorcycles, pickup campers and any motorized passenger vehicles designed to carry fewer than ten persons, which are capable of being used on the highways of the state.

REGIONAL CHILDREN'S CAMPUS (RCC) BONDS AND PARITY OBLIGATIONS. (a) County Revenue Bonds, Series 1998 (Regional Children's Campus, Inc.) that are dated October 1, 1998, (b) Motor Vehicle Rental Tax Revenue Bonds, Series 2000A and 2000B dated November 1, 2000, (e**h**) any obligations issued to refund obligations described in clause (a) ~~or (b)~~ of this definition.

RENTAL FEE. The gross fee and charges, whatever the basis of their calculation, paid to a commercial establishment by any person for the rental of a motor vehicle.

RENTAL or RENTING. Obtaining in the county the use of a motor vehicle from a commercial establishment in the county for a rental fee, and includes all services, supplies and commodities furnished by the commercial establishment in connection with providing the use of the vehicle, but does not include leasing or other transactions where title of a motor vehicle is permanently or temporarily transferred from the commercial establishment to any other person or entity.

YEAR ONE. Fiscal Year 2000-2001.

11.301 Imposition Of Tax.

(A) A tax is imposed on every person renting a motor vehicle from a commercial establishment doing business in the county, if the rental is for a period of 30 days or less. A rental must have a duration of 30 days or less if the actual possession or use by the person renting the vehicle terminates not later than the end of a 30-day period or if any contract governing the rental has a duration of 30 days or less.

(B) The base rate of the tax imposed by subsection (A) is equal to ~~10~~14.5% of the rental fee charged by the commercial establishment for the rental.

(C) The surcharge rate of the tax imposed by subsection (A) is equal to 2.5% of the rental fee charged by the commercial establishment for the rental. This 2.5% surcharge will terminate if the 2.5% transient lodging tax imposed by § 11.401(E) is terminated before the issuance of the bonds defined in § 11.400.

(D) If, with respect to any rental fee, the tax imposed under this section does not equal an amount calculable to a whole cent, the commercial establishment must charge a tax equal to the next highest whole cent. However, the amount remitted to the Director by the commercial establishment for each quarter must equal ~~12.5~~17% of the total rental fees collected by the commercial establishment during the quarter.

Penalty, see § 11.399

11.304 Use Of Taxes.

(A) The ~~10~~14.5% base taxes collected under this subchapter are general fund revenues of the county, except that the portion of taxes attributable to gasoline sales are subject to the limitations on use prescribed by the constitution and laws of the state.

(B) ~~The base taxes, and to the extent necessary also surcharge taxes, will be used by the County to pay any debt service on the RCC Bonds and Parity Obligations. All 2.5% surcharge taxes collected under this subchapter not needed for that purpose will be deposited in the Visitors Facilities Trust Account (VFTA) created by 11.401(E) and allocated as provided by 11.401(E)(4). The Board is authorized under Home Rule authority to enter an intergovernmental agreement with the City of Portland to pledge the County to maintain this surcharge to pay the bonds and other obligations identified in 11.401(E). Such pledge is binding under ORS 288.594 from April 1, 2000 as long as the 11.401(E) bonds are outstanding.~~

Section 2. This ordinance is effective on _____.

FIRST READING:

May 7, 2009

SECOND READING AND ADOPTION:

May 14, 2009

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Ted Wheeler, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By _____
Agnes Sowle, County Attorney

SUBMITTED BY:
Commissioner Jeff Cogen



Motor Vehicle Rental Tax

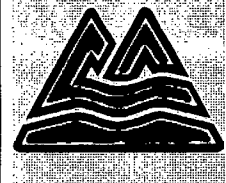
Background and Statistical Information

Multnomah County Budget Office

May 7, 2009

Introduction

- History of Motor Vehicle Rental Tax
 - Ordinance # 122 – April, 1976
 - Changes Since 1976
- Motor Vehicle Tax as % of General Fund
 - Historical Collections
 - Share of FY 2009 Revenue
 - Link to Travel/Tourism
- How Do We Stack Up?
 - Motor Vehicle Tax Compared to Other Jurisdictions
 - Total Travel Taxes Compared to Other Jurisdictions



Ordinance # 122

- Established Motor Vehicle Rental Tax
 - Tax Set @ 10% of Gross Rental Fees
 - Tax Imposed on Individuals, Collected and Remitted by Commercial Vehicle Rental Establishments
 - Exempts Vehicles Over 24,000 lbs. Gross Vehicle Weight
- Tax Collections
 - Collected Quarterly
 - Requires Commercial Establishments Maintain Records
 - Annual License Fee Requirement
- Use of Tax
 - Tax Collected for Use as General Fund Resource

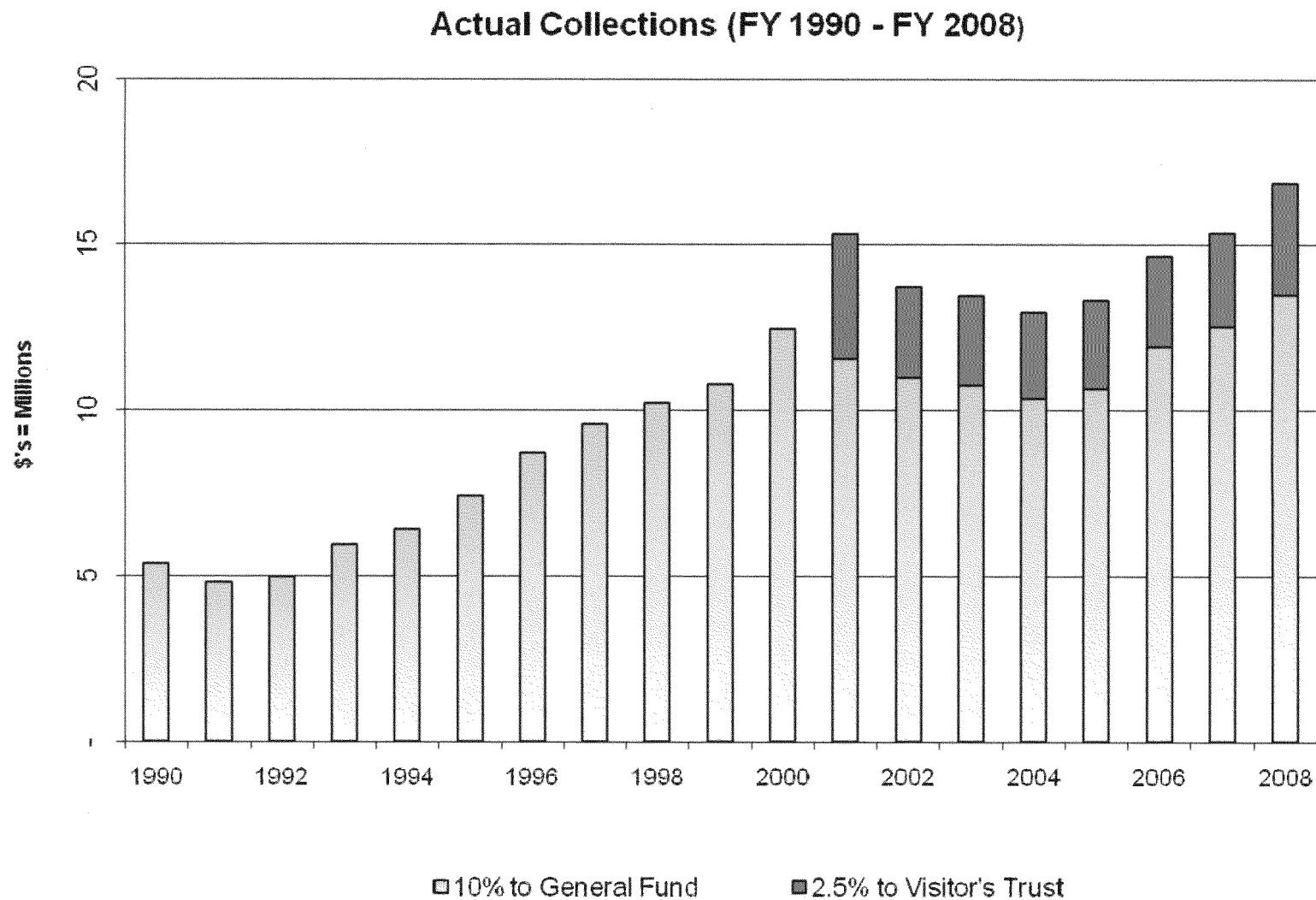


Changes Since 1976

- 1983 - 1998
 - Minor Housekeeping
 - Close Loopholes – Define “Doing Business in The County”
 - Response to Audit
- 1998 - 2001
 - Exemption for Car Sharing Organizations
 - Imposed 2.5% Surcharge to Support Expansion of Convention Center (And Other Tourism Related Venues)
- No Code Changes Since 2001

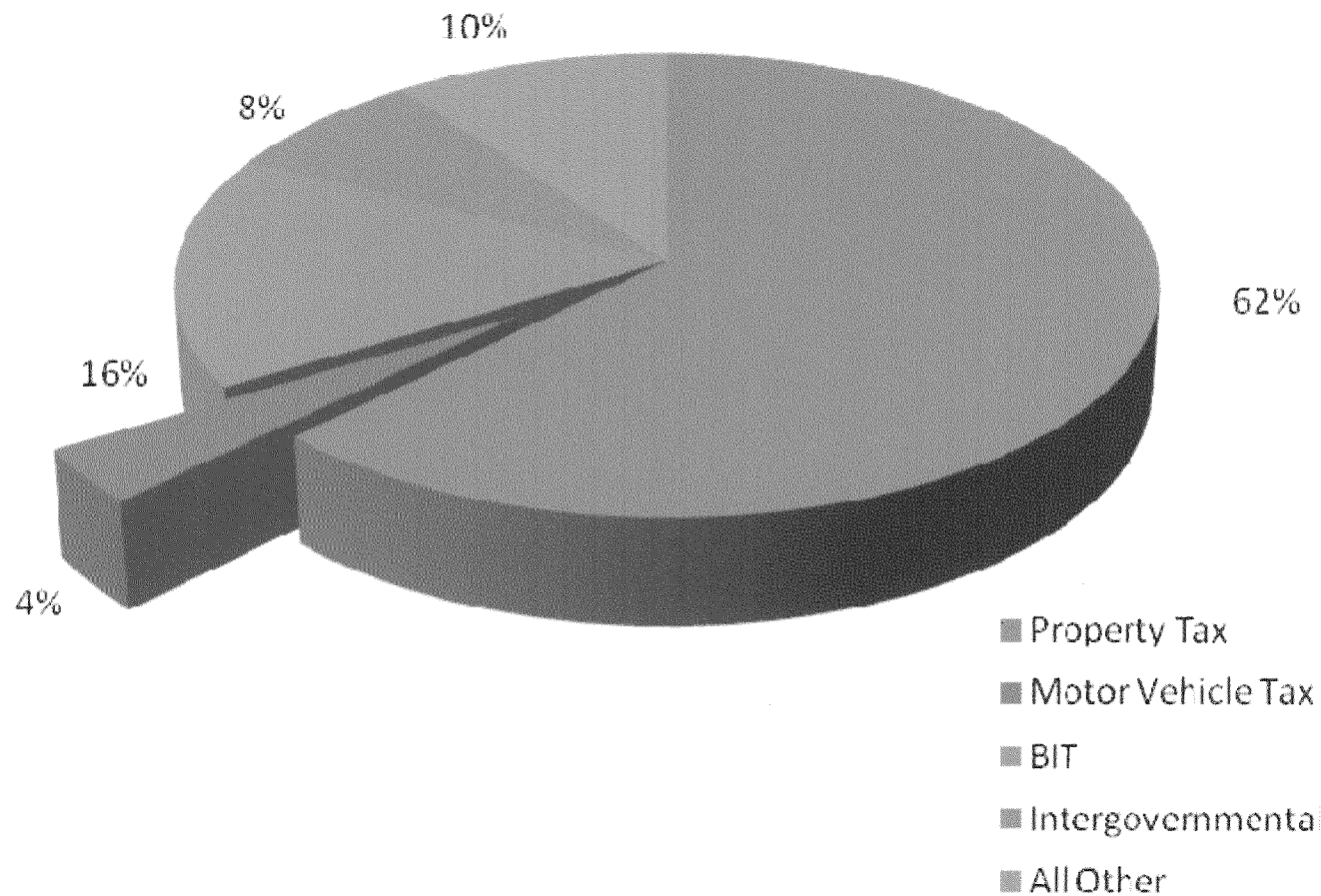


Historical MVR Tax Collections



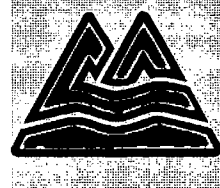
Motor Vehicle Tax as % of General Fund

Composition of General Fund (FY 2009)



Where Does Motor Vehicle Tax Come From?

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
A-1 Rental	4,515	3,222	2,514	2,129	332
Alamo Rent-A-Car	1,318,501	1,655,893	1,933,277	2,122,501	2,309,004
Avis Rent-A-Car	2,604,017	2,320,346	2,545,482	2,584,091	2,768,894
Bob's Rental & Sales	-	-	-	-	161
Brattain Int'l Trucks, Inc.	237	686	1,418	1,450	1,346
Budget Rent-A-Car	1,165,454	1,553,762	1,716,942	1,756,739	1,864,891
Crown Auto Rental	4,517	7,225	9,280	8,540	1,539
Cruise America	48,116	63,972	67,043	69,493	88,804
Dollar Rent-A-Car	1,231,539	1,080,794	1,248,428	1,393,661	1,526,887
Dream Cars NW	-	851	4,705	2,398	-
DSU Truck Rental, Inc.	1,194	2,457	957	140	406
El Monte Rents RV	6,445	6,305	-	-	-
Enterprise Rent-A-Car	1,146,082	1,340,279	1,627,851	1,841,552	2,105,865
FMI Lease & Rental	432	222	264	95	213
Gresham Ford/Bee Rent-A-Car	8,777	6,918	2,413	3,596	165
Hertz Corporation	3,481,020	3,850,996	4,086,723	4,328,678	4,481,459
Latus Motors	2,834	-	-	-	-
Lewis Brothers Rentals	4,202	5,826	6,681	9,466	6,987
National	434,064	-	-	-	-
Northside Ford Truck Sales	-	-	-	50	166
Penske Truck Leasing	88,254	107,888	114,581	125,730	115,283
Rent-A-Wreck	2,808	2,117	-	-	-
Ryder Truck Rentals	22,538	21,313	18,128	23,781	19,962
Speed's Auto Services Group	263	83	123	242	35
Thrifty Car Rental	901,534	874,792	1,053,680	906,759	1,109,774
Town & County Rent-A-Car	20,901	4,893	-	-	-
United Rentals	11,252	53,204	123,769	139,134	38,637
U-Haul of Oregon	368,413	355,310	319,335	319,249	402,000
Wentworth Chevrolet	759	499	681	849	460
Weston Pontiac	598	1,550	2,373	336	21
Jartran Bankruptcy Settlement	4,906	-	-	-	-
	12,884,173	13,321,404	14,886,649	15,640,656	16,843,291
% Annual Increase		3.39%	11.75%	5.06%	7.69%



Rate Comparison

Top Tax Rates (Based on Current Rate) Car Rental Taxes Only

1	Chicago	23.5%
2	Phoenix	21.8%
3	Charlotte	21.2%
4	Las Vegas	19.8%
5	Seattle	19.3%
6	Boston	18.8%
7	Nashville	18.4%
8	Albuquerque	18.3%
9	Salt Lake City	17.6%
10	Houston	17.3%
25	Portland	12.5%



Rate Comparison

Overall Tax Rates

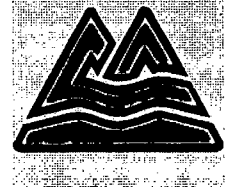
Includes Car Rental, Lodging, and Sales Taxes

1	Chicago	\$	42.44
2	Nashville	\$	39.95
3	Charlotte	\$	38.80
4	Seattle	\$	38.70
5	Houston	\$	37.62
6	Phoenix	\$	37.28
7	San Antonio	\$	37.00
8	Dallas	\$	35.70
9	Austin	\$	35.29
10	Cleveland	\$	34.52
49	Portland	\$	22.83



Summary

- Motor Vehicle Tax Has Been In Place Since 1976
 - Base Rate Has Not Changed Since Inception
- Major Source of Revenue for General Fund
- Bulk of Rental Taxes Generated From Airport Locations
- Current Tax Puts County Exactly in the Middle of Top 50 Survey Markets
 - Base Increase Will Move Us Close to Top 10
 - BUT, Portland Is Second Lowest of Top 50 Survey Markets for Overall "Travel" Taxes



#1

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 05/07/09

SUBJECT: Motor Vehicle Tax

AGENDA NUMBER OR TOPIC: #1

FOR: X AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: Kay Toran

ADDRESS: 3910 S.E. Stark

CITY/STATE/ZIP: Portland, OR 97214

PHONE: DAYS: 503-235-8655 EVES: _____

EMAIL: Ktoran@Voac.org FAX: _____

SPECIFIC ISSUE: _____

WRITTEN TESTIMONY: Yes

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.



Volunteers of America®

May 7, 2008

OREGON

Kay D. Toran
President/CEO

Ted Wheeler, Chairman
Multnomah County Commission
501 S. E. Hawthorne
Portland, Oregon

Board of Directors

Grant Yoshihara
Chair

Commissioner Nick Fish
Vice Chair

Pamela G. Lesh
Secretary

Gregory T. Rickman
Treasurer

George Bell

Nathan Bernhardt

Barbara Brainard

Carmen C. Gaston

Ronald S. Hall

George W. Hosfield

Fred Shipman

Mary Kay Tetreault

David Underriner

Al Zindel

Peter E. Jacobsen
Board Emeritus

Administration Office

3910 SE Stark Street
Portland, Oregon 97214
Phone: (503) 235-8655
Fax: (503) 239-6233
Web: www.voaor.org

Chair Wheeler, members of the Multnomah County Commission, I am Kay Toran, Pres/CEO of Volunteers of America Oregon one of the communities human services non-profits.

I am here today to offer my support to the proposed ordinance to increase the Motor Vehicle Rental Tax in our county.

Before I begin, I want to take this opportunity to thank you and the Commissioners for one of the most open, transparent and inclusive budget processes that we have seen in the County. Thank you for the opportunity to share our story with you.

This is one of the most challenging economic times that we have experienced in our nation, state and county in many decades. The downturn has resulted in high unemployment, investment and corporate losses that have caused budget shortfalls at all levels.

It is because of this economic collapse that we are seeing more of our neighbors in high need of basic services that are necessary to live ones lives.

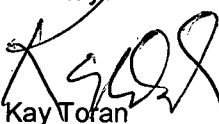
During this period of time we all need to do more and what we can to reach out to those most vulnerable and those most in need. We need to do more to keep our neighborhoods safe.

This proposed increase of the Motor Vehicle Rental Tax will help this county to continue to meet some of the basic needs of those most vulnerable and to continue to support essential public safety programs.

According to the analysis by Multnomah County if you approved this tourist tax Portland would still be below average of the 50 largest cities in terms of tourist taxes. There would be twenty-six cities that have taxes that were more expensive.

Because our organization is reaching out and serving children, families, troubled adults and the frail elderly, we believe that it is essential to continue to do so. By the Multnomah County Commission approving this increase in a tourist tax, Multnomah County is able to fund essential public safety and social service programs. This modest step will go a long way in responding to families in need and keeping our neighborhoods safe.

Thank you.



Kay Toran
President/CEO
Volunteers of America Oregon

#2

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

This form is a public record

SUBJECT: Car Rental Job MEETING DATE: 5/7/09

AGENDA NUMBER OR TOPIC: _____

FOR: _____ AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: Michael Egan

ADDRESS: On file

CITY/STATE/ZIP: _____

PHONE: _____ DAYS: _____ EVES: _____

EMAIL: _____ FAX: _____

SPECIFIC ISSUE: _____

WRITTEN TESTIMONY: 2 Copies attached

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

COUNTY BOARD OF COMMISSIONER'S

TESTIMONY MAY 7, 2009

GOOD MORNING CHAIR WHEELER, COMMISSIONERS. AS YOU KNOW, MY NAME IS MICHAEL EAGAN AND MY ADVOCACY IS FOCUSED MAINLY ON SENIORS AND PERSONS WITH DISABILITIES. IN PRESENTING HIS PROPOSED BUDGET, CHAIR WHEELER HAS ONCE AGAIN STOOD BY HIS PLEDGE TO PROTECT OUR MOST VULNERABLE CITIZENS "COME HELL OR HIGH WATER". NOW THE WORK BEGINS IN EARNEST. WE KNOW WE CAN'T CUT OUR WAY OUT OF THE CRISIS - HUMAN BEINGS UNSERVED DO NOT SIMPLY EVAPORATE. GIVEN THE BUILT IN STRICTURE IMPOSED BY THE PROPERTY TAX CAP AS WELL AS OTHER LIMITATIONS, HOW CAN THE BOARD BEST RESPOND TO THE DESPARATE NEED FOR MORE REVENUES?

TO ME, COMMISSIONER COGEN'S CAR RENTAL TAX INCREASE IS AN IDEAL PARTIAL ANSWER. TOURISM IS ONE OF THE TOP THREE INDUSTRIES IN OREGON. PORTLAND RANKS 2ND FROM THE BOTTOM IN TOURIST TAXES CHARGED BY THE 50 LARGEST CITIES IN THE COUNTRY. GIVEN THE FACT THAT VISITORS PAY NO SALES TAX, IT SEEMS ONLY RIGHT THAT THEY BE GIVEN AN OPPORTUNITY TO PAY A BIT MORE (AS THEY WOULD IN OTHER PARTS OF THE COUNTRY. FINALLY, WITHOUT THE 8 TO 10 MILLION DOLLARS GENERATED BY THIS MEASURE, THE COUNTY HUMAN SERVICES PROGRAMS WILL BE DEVESTATED! WE CAN'T LET THAT HAPPEN. THANK YOU.

COUNTY BOARD OF COMMISSIONER'S

TESTIMONY MAY 7, 2009

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#3

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 05.07.09

SUBJECT: Can Rental

AGENDA NUMBER OR TOPIC: _____

FOR: _____ AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: Roy Jay

ADDRESS: 4300 NE Fremont #220

CITY/STATE/ZIP: 97213

PHONE: _____

DAYS: _____

EVES: _____

EMAIL: _____

FAX: _____

SPECIFIC ISSUE: Can Rental -

WRITTEN TESTIMONY: _____

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
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IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

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#4

MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 5/7/2009

SUBJECT: Motor Vehicle Rental Tax

AGENDA NUMBER OR TOPIC: R-1

FOR: X AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: Matt Swanson

ADDRESS: 6401 SE Foster Rd, Portland, OR

CITY/STATE/ZIP: Portland, OR 97206

PHONE: _____ DAYS: 503-235-5071 EVES: 503-881-4529

EMAIL: swansonm@opevseiv.org FAX: 503-408-4099

SPECIFIC ISSUE: Revenue / Social Services

WRITTEN TESTIMONY: Attached

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
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4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

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Oregon State Council



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May 7, 2009

**Testimony in Support of Proposed Ordinance Amending
Multnomah County Code Sections 11.300, 11.301 and 11.304
Relating to Motor Vehicle Rental Tax**

Matt Swanson, Political Organizer, SEIU Oregon State Council

Members of the Commission:

On behalf of the over 50,000 members of SEIU local 49 and 503, we thank Chair Wheeler for his leadership and efforts to protect services to our most vulnerable citizens during this extraordinary economic crisis in his executive budget.

We urge the rest of the county commissioners to support this budget and pass an increase in the motor vehicle rental tax which would result in an additional estimated \$4.7 million to fund these vital services.

In order to truly save our human services in Multnomah County we need a long term solution that achieves adequate funding for human services throughout Oregon.

SEIU members work in many social service classifications for Multnomah County and the State of Oregon caring for the most needy and at-risk in our communities. By passing this proposal Multnomah County could:

- Continue to offer services that are vital for the clients we serve.
- Support programs that are essential for healthy families and healthy communities.
- Ensure long terms savings as these are very cost effective and save taxpayers money over more expensive options such as prison.

While we recognize the difficult situation that our county finds itself in today, we believe that a balanced revenue solution is needed. This once in a lifetime economic crisis that requires bold action from our County leaders. By passing this solution we will protect vulnerable populations but not shift the burden to the middle class.

In closing, this plan would do no more than keep Multnomah County at the average level of other jurisdictions of similar size. The projected \$4.7 million in revenue would retain 67 jobs, and protect vital public services.

SERVICE EMPLOYEES
INTERNATIONAL UNION

6401 SE Foster
Portland, OR 97206
Phone 503.235.5141
Fax 503.408.4099

DID NOT WANT TO SPEAK

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 5/7/09

SUBJECT: Rental Car Tax

AGENDA NUMBER OR TOPIC: 1

FOR: X AGAINST: _____ THE ABOVE AGENDA ITEM

NAME:

Denise Sutherland

ADDRESS:

1934 SE Ankeny St

CITY/STATE/ZIP:

Portland OR

PHONE:

DAYS: 503 347 3065

EVE:

EMAIL:

rsutherland@infatway.com

FAX:

SPECIFIC ISSUE:

WRITTEN TESTIMONY:

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
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IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

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2. Written testimony will be entered into the official record.

#5

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 5/7/09

SUBJECT: Rental car tax

AGENDA NUMBER OR TOPIC: R-1

FOR: X AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: Liz Smith Currie

ADDRESS: 2524 NE 35th Ave

CITY/STATE/ZIP: Portland OR 97212

PHONE: _____ DAYS: 503-913-6440 EVES: 503-288-5940

EMAIL: lsmithcurrie@gmail.com FAX: _____

SPECIFIC ISSUE: _____

WRITTEN TESTIMONY: _____

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
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IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

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#6

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 5/7/09

SUBJECT: Motor Vehicle Rental Tax

AGENDA NUMBER OR TOPIC: R-1

FOR: X AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: Kayla McGannon, Stand for Children

ADDRESS: 2356 NW Irving St. # 14

CITY/STATE/ZIP: Portland, OR. 97210

PHONE: _____ DAYS: (503) 927-2655 EVES: _____

EMAIL: Kmcgannon@stand.org FAX: _____

SPECIFIC ISSUE: Support from our chapters for increasing
motor vehicle rental tax

WRITTEN TESTIMONY: _____

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
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2. Written testimony will be entered into the official record.

#7

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 05.07.09

SUBJECT: Pemco Vehicle tax hike

AGENDA NUMBER OR TOPIC: R-1 M

FOR: ☒ AGAINST: ☐ THE ABOVE AGENDA ITEM

NAME: Lance B. B...

ADDRESS: 5021 NE 48th Ave

CITY/STATE/ZIP: Portland, OR 97218

PHONE: DAYS: 503 249-8432 EVES: same

EMAIL: _____ FAX: _____

SPECIFIC ISSUE: _____

WRITTEN TESTIMONY: _____

IF YOU WISH TO ADDRESS THE BOARD:

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#8

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

*****This form is a public record*****

MEETING DATE: 05-07-09

SUBJECT: Tax for Rental Cars

AGENDA NUMBER OR TOPIC: R-1

FOR: _____ AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: NICHOL J. MAHER

ADDRESS: 1735 N. TERRY

CITY/STATE/ZIP: MULT CO

PHONE: _____ DAYS: _____ EVES: _____

EMAIL: _____ FAX: _____

SPECIFIC ISSUE: _____

WRITTEN TESTIMONY: _____

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
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IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

#9

MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 5/2/09

SUBJECT: MVRT

AGENDA NUMBER OR TOPIC: R1

FOR: _____ AGAINST: X THE ABOVE AGENDA ITEM

NAME: SABANA ROKOVITZ

ADDRESS: ~~20400 SW TETON AVE~~ 20400 SW TETON AVE

CITY/STATE/ZIP: TUALATIN, OR 97062

PHONE: _____ DAYS: 503 692 8400 EVES: _____

EMAIL: srokovitz@crac.com FAX: _____

SPECIFIC ISSUE: _____

WRITTEN TESTIMONY: Letter from Robert Barton -
American Car Rental Association

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.



www.acraorg.com

888-200-2795

May 6, 2009

Honorable Board of Commissioners:

We recognize that Oregon, in addition to many other states, is facing budget challenges of the highest magnitude during the current economic recession. Legislators are, in many cases, being asked to do the impossible in balancing budgets this year.

One of the largest industries for Oregon is tourism. A modification of the Multnomah County code Sections 11.300, 11.301 and 11.304 is nothing more than a slaying of the "goose that laid the golden egg." Oregon NEEDS tourism. Taxing only the rental car industry help fund budgetary shortfalls is simply bad public policy.

States all over this nation are dealing with budget issues and are raising the fees associated with the services given. For example, if roads need repair in Colorado, the registration fees on vehicles are increased. If funding of the University System in Minnesota faces a shortfall, tuition fees are increased.

WHY SHOULD THE RENTER OF A CAR PAY TO PROVIDE FOR THE GENERAL FUND WHEN THEY ARE NOT USING THE SERVICES PROVIDED?

This entire system is flawed, and now, once again, Oregon is looking to punish the tourism industry by creating a tax where the lion's share of the burden is not even falling on the constituents in Oregon. Once again, as in colonial times, we are facing "TAXATION WITHOUT REPRESENTATION."

You were elected to represent the interests of your constituents. They are looking to you to help turn the economy around and create jobs. Taxing the tourism industry, without these funds in turn being used to fund marketing and advertising initiatives to further expand the tourism base is simply a bad idea.

The competitive nature of car rental as compared to other forms of transportation is getting worse. This suggested fee increase will only compound the problem. Higher taxation will result in fewer cars being rented, fewer dollars to promote tourism, and ultimately fewer jobs provided by the car rental companies.

We are all cutting back staff. Every single car rental company has experienced a reduction in force. Our suppliers, many of which rely on the car rental industry for survival, are all suffering as well. Many have already gone out of business. This trickle-down effect of the problems we are all experiencing has devastated not only the car rental companies but also the small business owner who relies on the car rental industry for his business.

The task before the Commission is monumental. We all recognize that. We encourage you to find a way to preserve the Oregon Tourism industry and the jobs it creates. We want to help you and our employees, vendors and customers as well. To do so, as part of any plan that is ultimately put in place, we need your help in making sure it makes sense and has the individuals using the service benefit from the fees, not suffer

Respectfully submitted,

Robert M. Barton, President
American Car Rental Association

Cc: Chris Eliot, MSNBC

DID NOT SPEAK

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 9/7/09

SUBJECT: Proposed tax on Car Rentals
Sections 11.300, 11.301, 11.304

AGENDA NUMBER OR TOPIC: R-1

FOR: _____ AGAINST: ☒ THE ABOVE AGENDA ITEM

NAME: Jennifer Walker

ADDRESS: 8805 SE Yamhill St.

CITY/STATE/ZIP: Portland OR 97216

PHONE: _____ DAYS: 503.720.0046 EVES: _____

EMAIL: jennifer.penelope@gmail.com FAX: _____

SPECIFIC ISSUE: _____

WRITTEN TESTIMONY: I think this is an unfair
tax on a selected industry that
would make renting vehicles unaffordable.
My employer rents @ least 2 vehicles per
week and this increase would make it nearly
impossible to survive.

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

Did NOT SPEAK

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 5/1/2009

SUBJECT: Proposed Tax on Car Rentals

AGENDA NUMBER OR TOPIC: R-1

FOR: _____ AGAINST: X THE ABOVE AGENDA ITEM

NAME: Stephanie Tichenor

ADDRESS: 7542 N. Dwight Ave

CITY/STATE/ZIP: Portland OR 97203

PHONE: _____ DAYS: 503/957.1110

EVES: Same

EMAIL: Stichenor23@gmail.com

FAX: _____

SPECIFIC ISSUE: _____

WRITTEN TESTIMONY: We think this is an unfair tax on a selected industry that would make renting vehicles unaffordable. Our business rents at least 2 vehicles per week and this may force us to do our rentals outside of Multnomah County.

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
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#10

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 5/7/09

SUBJECT: Multnomah County Motor Vehicle
Rental Tax

AGENDA NUMBER OR TOPIC: _____

FOR: _____ AGAINST: X THE ABOVE AGENDA ITEM

NAME: J. Justin Evans

ADDRESS: 9445 NE Airport Way

CITY/STATE/ZIP: Portland, OR 97220

PHONE: DAYS: (503) 209-9446

EVE: (503) 209-9446

EMAIL: joevans@hertz.com

FAX: (866) 999-7241

SPECIFIC ISSUE: _____

WRITTEN TESTIMONY: _____

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
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2. Written testimony will be entered into the official record.

#11

MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 5-7-09

SUBJECT: Multnomah County Motor Vehicle
Rental Tax

AGENDA NUMBER OR TOPIC: _____

FOR: _____ AGAINST: X THE ABOVE AGENDA ITEM

NAME: Therese Chapdelaine

ADDRESS: 9105 NE Airport Way

CITY/STATE/ZIP: Portland OR 97220

PHONE: _____ DAYS: 503 249-4798 EVES: _____

EMAIL: tmc@dollarportland.com FAX: _____

SPECIFIC ISSUE: _____

WRITTEN TESTIMONY: _____

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

#12

MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk
This form is a public record

MEETING DATE: 5/7/09

SUBJECT: Car Rental Tax Increase

AGENDA NUMBER OR TOPIC: R-1

FOR: _____ AGAINST: X THE ABOVE AGENDA ITEM

NAME: JEFF MILLER

ADDRESS: 2330 SW CACTUS DR

CITY/STATE/ZIP: PORTLAND, OR 97205

PHONE: _____ DAYS: 503-275-9797 EVES: _____

EMAIL: jmillerv@travelportland.com FAX: _____

SPECIFIC ISSUE: Industry specific taxes are not the solution to the larger tax and county funding issues.

WRITTEN TESTIMONY:

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to 3 minutes.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

#13

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 07 May 2009

SUBJECT: Motor Vehicle Tax

AGENDA NUMBER OR TOPIC: _____

FOR: _____ AGAINST: ☒ THE ABOVE AGENDA ITEM

NAME: FAZENA M. KA

ADDRESS: 10947 NE Holman St.

CITY/STATE/ZIP: Portland OR 97220

PHONE: _____ DAYS: 503 969 5979 EVES: _____

EMAIL: im_kallanest.net FAX: 503 249 9005

SPECIFIC ISSUE: NATIONAL Car Rental

WRITTEN TESTIMONY: _____

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

#14

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

*****This form is a public record*****

MEETING DATE: 5/ /09

SUBJECT: Car rental tax

AGENDA NUMBER OR TOPIC: _____

FOR: ✓ **AGAINST:** _____ **THE ABOVE AGENDA ITEM**

NAME: Lorraine Griffey

ADDRESS: 690 SE Barnes Ave

CITY/STATE/ZIP: Gresham OR 97080

PHONE: DAYS: 503-666-2225 **EVES:** _____

EMAIL: lgriffey@comcast.net **FAX:** _____

SPECIFIC ISSUE: Senior Services

WRITTEN TESTIMONY: _____

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

#15

MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 5/7/09

SUBJECT: Motor Vehicle Tax

AGENDA NUMBER OR TOPIC: Cogen proposal on motor vehicle

FOR: X AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: Robert Rodgers

ADDRESS: 2207 NW 14th Ave

CITY/STATE/ZIP: PO Box 97212

PHONE: _____ DAYS: 503 724 EVES: _____

EMAIL: _____ FAX: _____

SPECIFIC ISSUE: _____

WRITTEN TESTIMONY: _____

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

#16

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 5/7/09

SUBJECT: Support for Chair's budget -
both rental vehicle tax and expenses

AGENDA NUMBER OR TOPIC: _____

FOR: _____ AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: Alissa Keny-Guyer ~~Guyer~~ Keny-Guyer

ADDRESS: 6565 SE 5th Dr

CITY/STATE/ZIP: Portland OR 97215

PHONE: _____ DAYS: _____ EVES: _____

EMAIL: alissakg@comcast.net FAX: _____

SPECIFIC ISSUE: _____

WRITTEN TESTIMONY: _____

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

#17

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 5/7/09

SUBJECT: Car Rental Tax

AGENDA NUMBER OR TOPIC: _____

FOR: ☒ AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: Jan Lacy

ADDRESS: 4840 SW Dosch RD.

CITY/STATE/ZIP: Portland, OR

PHONE: _____ DAYS: 503-977-7845 EVES: Same

EMAIL: jan.vft@gmail.com FAX: _____

SPECIFIC ISSUE: Human services must be sustained by this increase in tax

WRITTEN TESTIMONY: Representing children, youth, adults, and families with mental health challenges. Support must be sustained as it is the foundation of our society as it would affect every

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk. ^{Citizen's} their health.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST (revised 09/22/08)

APPROVED: MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-2 DATE 05/07/09
DEBORAH L. BOGSTAD, BOARD CLERK

Board Clerk Use Only

Meeting Date: 05/07/09
Agenda Item #: R-2
Est. Start Time: 9:25 AM
Date Submitted: 04/29/09

BUDGET MODIFICATION: DCHS - 37

BUDGET MODIFICATION DCHS-37 Appropriating \$131,590 in American Recovery and Reinvestment Act Ramp Up Plan Funding to the Department of County Human Services, Energy Services Program

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title sufficient to describe the action requested.

Requested Meeting Date:	<u>May 7, 2009</u>	Amount of Time Needed:	<u>5 minutes</u>
Department:	<u>County Human Services</u>	Division:	<u>Community Services</u>
Contact(s):	<u>Kathy Tinkle</u>		
Phone:	<u>503-988-3691</u>	Ext.	<u>26858</u>
Presenter(s):	<u>Mary Li</u>	I/O Address:	<u>167/6</u>

General Information

1. What action are you requesting from the Board?

The Department of County Human Services (DCHS) recommends approval of budget modification DCHS- 37. This budget modification increases the DCHS fiscal year 2009 budget by \$131,590.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

DCHS Community services Division Program Offer 25119, Energy Services and Weatherization program was awarded a total of \$4,205,067 through fiscal year 2012 by the Department of Energy with funding associated with the American Recovery and Reinvestment Act (ARRA) of 2009. These funds will be used to expand the existing Community Services Weatherization program, with an emphasis on building upon and increasing the existing multi-family weatherization program by 300 low income units. \$131,590 of the \$4,205,067 will be budgeted for the remainder of fiscal year 2009 to add 6 full time employees (6.0 FTEs) and necessary equipment to help implement the expanded services and meet the growing demand.

3. Explain the fiscal impact (current year and ongoing).

Program offer 25119 Fiscal year 2009's budget will increase by \$131,590 and 6.0 FTE annually. Of these funds \$68,143 will fund six new full time positions. The total FTE added for fiscal year 2009 is 1.0 FTE (6.00 FTE on an annual basis). These positions are:

- .33 FTE (2.00 FTE annual basis) Office Assistant 2 positions
- .67 FTE (4.00 FTE annual basis) Weatherization Inspector positions

This budget modification also includes funds that will be used to purchase weatherization tools and equipment (\$24,175); and the following capitalized items: a van for transporting Weatherization Inspectors and equipment to and from job sites (\$16,000), and two infrared cameras (\$11,000). The remainder of the funds (\$12,272) will support the purchase of necessary office equipment and supplies for the six new staff, as well as County and Departmental indirect.

4. Explain any legal and/or policy issues involved.

N/A

5. Explain any citizen and/or other government participation that has or will take place.

In collaboration with the City of Portland and the City of the Gresham, the County will approach local community development corporations and other affordable housing developers/owners in order to expand the scope of multi-family projects that are in need of significant deferred maintenance in order to stabilize existing affordable housing stock.

ATTACHMENT A

Budget Modification

If the request is a **Budget Modification**, please answer all of the following in detail:

- **What revenue is being changed and why?**

Program Offer 25119; Energy Services revenue will increase by \$131,590 for fiscal year 2009 to fund all cost associated with the increase of 6.0 FTE and necessary equipment to develop and implement the weatherization of an additional 300 units through March 2012.

- **What budgets are increased/decreased?**

The DCHS Community Services Energy Services program budget will increase by \$131,590 for fiscal year 2009. The Risk fund will increase by \$13,444 and Telecommunications fund will increase by \$1,243.

- **What do the changes accomplish?**

The increase of six FTE and appropriation of new funds will allow Multnomah County to service additional clients in need of weatherization services. In addition to funding the increased staffing, these funds allow for the purchase of weatherization tools and equipment, two infrared cameras, and a van to transport staff and equipment to and from work sites.

- **Do any personnel actions result from this budget modification? Explain.**

\$68,143 will be used for new positions totaling 1.00FTE for fiscal year 2009 (6.00 FTE on an annual basis). These positions are:

- .33 FTE (2.00 FTE annual basis) Office Assistant 2 positions.
- .67 FTE (4.00 FTE annual basis) Weatherization Inspector positions

- **How will the county indirect, central finance and human resources and departmental overhead costs be covered?**

The ARRA Grant will pay indirect charges.

- **Is the revenue one-time-only in nature? Will the function be ongoing? What plans are in place to identify a sufficient ongoing funding stream?**

This is a three year grant and it is believed that it will be refunded.

- **If a grant, what period does the grant cover?**

The grant period is from April 15, 2009 to March 31, 2012.

- **If a grant, when the grant expires, what are funding plans?**

Services would be reduced.

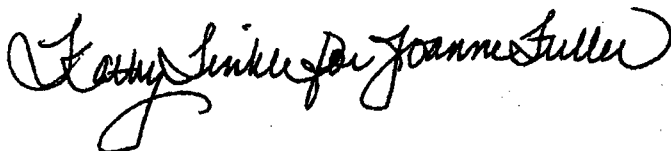
<p><i>NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.</i></p>

ATTACHMENT B

BUDGET MODIFICATION: DCHS - 37

Required Signatures

**Elected Official
or Department/
Agency Director:**



Date: 04/29/09

Budget Analyst:



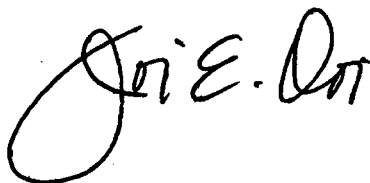
Date: 04/29/09

Department HR:



Date: 04/29/09

Countywide HR:



Date: 03/13/09

Budget Modification ID: **DCHS-37 WX ECON STIM****EXPENDITURES & REVENUES**

Please show an increase in revenue as a negative value and a decrease as a positive value for consistency with SAP.

Budget/Fiscal Year: 2009

Line No.	Fund Center	Fund Code	Program #	Func. Area	Accounting Unit			Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
					Item Order	Cost Center	WBS Element						
1	22-10	32334	25119	40			SCPCESRR.DOEWXAR.AD	50190	0	(24,498)	(24,498)		IG - OP Fed Thru St
2	22-10	32334	25119	40			SCPCESRR.DOEWXAR.AD	60000	0	10,336	10,336		Permanent
3	22-10	32334	25119	40			SCPCESRR.DOEWXAR.AD	60130	0	3,250	3,250		Salary Related Expns
4	22-10	32334	25119	40			SCPCESRR.DOEWXAR.AD	60140	0	4,269	4,269		Insurance Benefits
5	22-10	32334	25119	40			SCPCESRR.DOEWXAR.AD	60240	0	2,400	2,400		Supplies
6	22-10	32334	25119	40			SCPCESRR.DOEWXAR.AD	60370	0	414	414		Internal Service Telephone
7	22-10	32334	25119	40			SCPCESRR.DOEWXAR.AD	60350	0	2,086	2,086		Central Indirect 2.07%(FY09)
8	22-10	32334	25119	40			SCPCESRR.DOEWXAR.AD	60355	0	1,743	1,743		Dept Indirect 1.73% (FY09)
9													
10	22-10	32334	25119	40			SCPCESRR.DOEWXAR.PD	50185	0	(27,000)	(27,000)		IG - CAP - Fed Thru St
11	22-10	32334	25119	40			SCPCESRR.DOEWXAR.PD	50190	0	(80,092)	(80,092)		IG - OP Fed Thru St
12	22-10	32334	25119	40			SCPCESRR.DOEWXAR.PD	60000	0	31,264	31,264		Permanent
13	22-10	32334	25119	40			SCPCESRR.DOEWXAR.PD	60130	0	9,849	9,849		Salary Related Expns
14	22-10	32334	25119	40			SCPCESRR.DOEWXAR.PD	60140	0	9,175	9,175		Insurance Benefits
15	22-10	32334	25119	40			SCPCESRR.DOEWXAR.PD	60240	0	28,975	28,975		Supplies
16	22-10	32334	25119	40			SCPCESRR.DOEWXAR.PD	60370	0	829	829		Internal Service Telephone
17	22-10	32334	25119	40			SCPCESRR.DOEWXAR.PD	60550	0	11,000	11,000		Capital Equipment
18	22-10	32334	25119	40			SCPCESRR.DOEWXAR.PD	60410	0	16,000	16,000		Motor Pool (Van Purchase)
19													
20	72-10	3500		0020		705210		50316		(13,444)	(13,444)		Svc. Reim F/S to Risk
21	72-10	3500		0020		705210		60330		13,444	13,444		Claims Paid
22													
23	19	1000		0020		9500001000		50310		(2,086)	(2,086)		Svc Reim F/S to General
24	19	1000		0020		9500001000		60470		2,086	2,086		Contingency
25													
26	26-00	1000	25000	40			CHSDO.IND1000	50370		(1,743)	(1,743)		Dept. Indirect Revenue
27	26-00	1000	25000	40			CHSDO.IND1000	60240		1,743	1,743		Supplies
28													
29	72-60	3503		0020		709525		50310		(1,243)	(1,243)		Telecom Reimb
30	72-60	3503		0020		709525		60200		1,243	1,243		Telecom Fund
31													
32	72-55	3501		0020		904100		50310		(16,000)	(16,000)		Motor Pool Revenue
33	72-55	3501		0020		904100		60240		16,000	16,000		Motor Pool Expense

Budget Modification ID: **DCHS-37 WX ECON STIM****EXPENDITURES & REVENUES**

Please show an increase in revenue as a negative value and a decrease as a positive value for consistency with SAP.

Budget/Fiscal Year: 2009

Line No.	Fund Center	Fund Code	Program #	Func. Area	Accounting Unit			Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
					Item Order	Cost Center	WBS Element						
											0	0	Total - Page 1
											0	0	GRAND TOTAL

ANNUALIZED PERSONNEL CHANGEChange on a full year basis even though this action affects only a part of the fiscal year (FY).

							ANNUALIZED			
Fund	Job #	HR Org	CC/WBS/IO	Position Title	Position Number	FTE	BASE PAY	FRINGE	INSUR	TOTAL
32334	6001	63257	SCPCESRR.DOEWXAR.AD	Office Assistant 2	NEW	2.00	62,014	19,498	25,616	107,128
32334	6084	63257	SCPCESRR.DOEWXAR.PD	Weatherization Inspector	NEW	4.00	187,584	59,096	55,048	301,728
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
TOTAL ANNUALIZED CHANGES						6.00	249,598	78,594	80,664	408,856

CURRENT YEAR PERSONNEL DOLLAR CHANGECalculate costs/savings that will take place in this FY; these should explain the actual dollar amounts being changed by this Bud Mod.

							CURRENT YEAR			
Fund	Job #	HR Org	CC/WBS/IO	Position Title	Position Number	FTE	BASE PAY	FRINGE	INSUR	TOTAL
32334	6001	63257	SCPCESRR.DOEWXAR.AD	Office Assistant 2	NEW	0.33	10,336	3,250	4,269	17,855
32334	6084	63257	SCPCESRR.DOEWXAR.PD	Weatherization Inspector	NEW	0.67	31,264	9,849	9,175	50,288
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
TOTAL CURRENT FY CHANGES						1.00	41,600	13,099	13,444	68,143



MULTNOMAH COUNTY

AGENDA PLACEMENT REQUEST (revised 09/22/08)

Board Clerk Use Only

Meeting Date: 05/07/09
Agenda Item #: R-3 – R-5
Est. Start Time: 9:30 AM
Date Submitted: 04/22/09

Agenda Title: Public Hearing and Consideration of Approval of the 2009-2010 Dunthorpe-Riverdale Sanitary Service District No. 1 Proposed Budget for Submittal to Tax Supervising and Conservation Commission

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title sufficient to describe the action requested.

Requested Meeting Date: May 7, 2009 Amount of Time Needed: 15 minutes
Department: Community Services Division: LUT - Road Services
Contact(s): Tom Hansell
Phone: 503 988-5050 Ext. 29833 I/O Address: 425/2nd
Presenter(s): Tom Hansell

General Information

1. What action are you requesting from the Board?

Convene as the governing body of the Dunthorpe-Riverdale Service District to:

- Appoint Jeffery Van Osdel to serve a three-year term as a budget committee member;
- Select budget committee chair and secretary from presiding members;
- Hear budget message;
- Open Public Hearings to hear and consider any testimony presented by the public about the budget, and
- Vote and approve on the budget for submittal to Tax Supervising and Conservation Commission.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

Multnomah County's Service Districts were created under the provisions of the Oregon Revised Statutes, Chapter 451, to provide construction and operation of sanitary sewer systems and to provide street lighting in particular areas of the County. The Multnomah County Board of Commissioners serves as the governing body of each district. The budget committee for each district consists of the members of the Board and residents of the district appointed by the Board for terms of three years. Returning budget committee member Mrs. Marilyn Dodge and the appointment of Mr. Jeffery Van Osdel join the Board of County Commissioners as district residents and have equal authority with the governing board during the budget committee process to ask

questions, comment, and vote on the budget.

The annual budget for each district is prepared under the direction of a budget officer designated by the Board. Tom Hansell from the Department of Community Services' Land Use and Transportation Program serves as the Budget Officer for the district. The budget committee reviews the annual budget and approves it either as submitted by the budget officer or with revisions requested by the committee.

These procedures fulfill the requirements of Oregon's Local Budget Law (ORS 294), which provides specific methods for obtaining public review and comment on the financial and administrative policies of the districts.

Multnomah County's Departments of County Management and Community Services provide financial and administrative services, respectively, to the district. The district is, however, a separate and independent financial entity. Expenses incurred, such as external auditing and administration and financial management provided by both departments, are met with revenue from sewer user charges, connection fees, and/or assessments to real property within the service district.

This district was formed in the middle 1960's and by 1970 had removed a significant source of pollution from the Willamette River. Its 560 clients are mainly located in unincorporated Multnomah County with a few customers in northern Clackamas County and the City of Portland. District growth has stabilized due to substantial completion of municipal annexations and slowing in new residential construction starts.

The district contracts with the City of Portland's Bureau of Environmental Services (BES) to maintain district lines and treat the sewage flow at Portland's Tryon Creek Treatment Plant. BES also provides design and engineering services for construction, reconstruction, and/or improvement of the district's facilities.

3. Explain the fiscal impact (current year and ongoing).

The district has a proposed total budget of \$1,206,500 for fiscal year 2010. This proposed budget represents a \$131,000, or a 10% decrease, from the current year's budget. The budget change is attributed to a \$100,000 drop in capital and smaller unappropriated ending fund balance from the current budget.

The district capital program continues with the installation of the new Elk Rock By-pass line, miscellaneous pipe repairs, and starting design on the Riverview force main replacement. In preparing the district's current capital budget, the district was informed by BES the Riverview force main would require immediate attention due to failed pressure testing. The district responded in establishing a capital budget in the current fiscal year and identified short term financing of \$400,000 to match the estimated project cost. Upon further pipe investigations, BES was successful in performing spot pipe repairs to temporarily alleviate the damage piping. These temporary measures taken by BES will forego the district's need to secure financing for this project. New for FY 2010 are site improvements at the Elk Rock pump station. In anticipation of projects carrying into FY 2011, the proposed budget shows an unappropriated fund balance of \$225,250 to allow the district to complete work in the proposed FY 2010 capital program.

The current service charge is \$104.00 per month per property for line connections to the district system. To meet current operations, maintenance, capital and repayment of capital debt charges for fiscal year 2010, the district rate is proposed to move to \$114.00 per month. The rate adjustment represents a 9.6% increase. Due to a limited customer base, the district rate increases are necessary to meet the annual expenditures and prepare for future capital project work..

4. Explain any legal and/or policy issues involved.

The district is a separate legal entity (ORS 451). Because of its size, it requires a budget committee. The actions requested of the Board of County Commissioners and District Budget Committee are consistent in meeting the requirements of Tax Supervising Conservation Commission and statewide local budget law.

5. Explain any citizen and/or other government participation that has or will take place.

Published Notice of Public Hearing for the Budget Committee Meeting.

Required Signature

Elected Official or
Department/
Agency Director:



Date: 04/22/09

Budget Committee Member:

Jeffery Van Osdel
11602 SW Breyman Ave
Portland, OR 97219

MULTNOMAH COUNTY

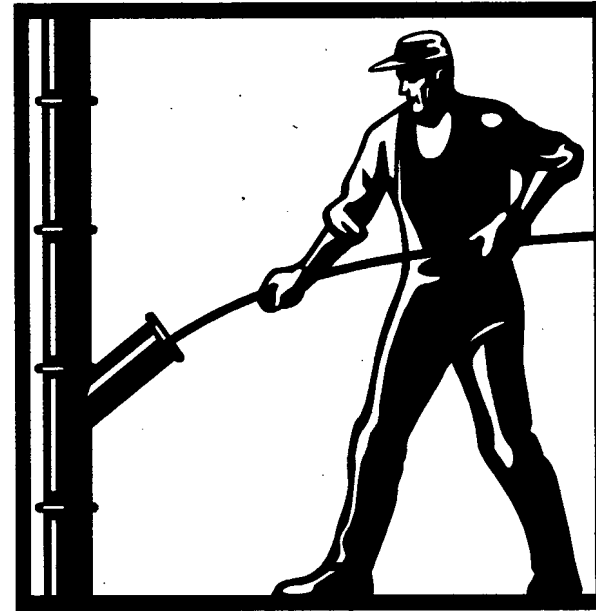
Mid County Lighting & Dunthorpe-Riverdale Sanitary Service Districts Budget Calendar FY 2010

Month	Date	Task
March 09		
	03/16/09	Prepare staff report, LB 20 & 30 for Budget Committee Meeting on May 7th
April 09		
	04/08/09	Send notices & publication dates to <u>Oregonian</u>
	04/15/09	Publish 1st notice of Special Districts Budget Committee meetings on May 7th
	04/29/09	Publish 2nd notice of Special Districts Budget Committee meetings on May 7th
May 09		
	05/07/09	Special Districts Budget Committee meeting; approve for submission to TSCC
	05/08/09	File Approved County, Special Districts budgets to TSCC
	05/18/09	Prepare staff report, resolutions adopting service district budget, forms LB 1 for June 11th
	05/27/09	Send notices & publication date to <u>Oregonian</u>
June 09		
	06/03/09	Publish notices for Public hearing (LB-1) for adoption of County, Special Districts budgets on June 11th
	06/11/09	Public hearing to Adopt Special District budgets
July 09		
	07/10/09	File adopted budgets with TSCC, including certification response letter
	07/10/09	File LB-50's Assessments to Assessor Offices (Clackamas & Multnomah) by 7/15



Multnomah County Service Districts

**Dunthorpe-
Riverdale Sanitary
Service District No. 1
&
Mid-County Street
Lighting
District No. 14
Proposed Budgets**



Fiscal Year 2009-2010

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General Fund Resources — Dunthorpe-Riverdale Service District No. 1	5
General Fund Expenditure Summary — Dunthorpe-Riverdale Service District No. 1	6
Budget Message — Mid-County Service District No. 14	7
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MULTNOMAH COUNTY SERVICE DISTRICTS' BUDGETS FOR FISCAL YEAR 2009-2010

Introduction

Multnomah County's Service Districts have been created under the provisions of the Oregon Revised Statutes, Chapter 451, to provide construction and operation of sanitary sewer systems and to provide street lighting in particular areas of the County.

The Multnomah County Board of Commissioners serves as the governing body of each district. The budget committee for each district consists of the members of the Board and residents of the district appointed by the Board.

The annual budget for each district is prepared under the direction of a budget officer designated by the Board. The budget committee reviews the annual budget and approves it, either as submitted by the budget officer or with revisions requested by the committee.

These procedures fulfill the requirements of Oregon's Local Budget Law (ORS 294), which provides specific methods for obtaining public review and comment on the financial and administrative policies of the districts.

Explanation of the Budget Document

This document consists of a detailed schedule of the resources and requirements of each of the two districts in Multnomah County.

Preceding the financial information for each district is a brief budget message, which discusses special items pertaining to the individual district, including any major changes in either resources or requirements.

Service Districts' Financial Policies

Multnomah County Departments of Community Services and County Management provide administrative and financial services respectively, to the two districts. Each district is, however, a separate and independent financial entity. Expenses incurred, such as administration, finance and engineering are met with revenue from sewer user charges, connection fees and/or assessments to real property within the street lighting or sanitary sewer service district.

For the purposes of countywide financial reporting, each district is treated as an Enterprise Fund and accounted for on the accrual basis of accounting. This practice conforms to generally accepted accounting principles (GAAP). Under the accrual basis of accounting, all revenues are recorded at the time they are earned and expenditures are recorded at the time they are incurred. Budgets and comparative historical cost summaries are prepared using these bases. This practice conforms to Oregon's Local Budget Law.

Summary of Service Districts' Requirements

SERVICE DISTRICT	ACTUAL 06-07	ACTUAL 07-08	BUDGET 08-09	PROPOSED 09-10
Dunthorpe-Riverdale Service District No. 1	\$1,048,910	\$874,159	\$1,337,500	\$1,206,500
Mid-County Service District No. 14	\$675,334	\$663,999	\$605,000	\$596,000
TOTAL	\$1,724,244	\$1,538,158	\$1,942,500	\$1,802,500

Summary of Administrative Reimbursements (Charges by Multnomah County to Service Districts)

SERVICE DISTRICT	ACTUAL 06-07	ACTUAL 07-08	BUDGET 08-09	PROPOSED 09-10
Dunthorpe-Riverdale Service District No. 1	\$36,046	\$36,491	\$42,250	\$46,250
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TOTAL	\$75,577	\$78,790	\$86,000	\$92,500

MULTNOMAH COUNTY SERVICE DISTRICTS' PROPOSED BUDGETS FOR FISCAL YEAR 2009-2010

Budget Message — Dunthorpe-Riverdale Service District No. 1

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**FORM
LB-20**

**RESOURCES
GENERAL
(Fund)**

DUNTHORPE-RIVERDALE DISTRICT No.1
(Name of Municipal Corporation)

	Historical Data				Budget for Next Year 2009 - 2010			
	Actual		Adopted Budget This Year 2008 - 09		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2006 - 07	First Preceding Year 2007 -08						
				Beginning Fund Balance:				
1				1. Available cash on hand* (cash basis) or				1
2	\$51,518	\$227,079	\$215,200	2. Net working capital (accrual basis)	\$430,000			2
3	\$9,136	\$9,704	\$6,500	3. Previously levied taxes estimated to be received	\$6,500			3
4	\$24,562	\$24,193	\$12,500	4. Interest	\$12,500			4
5				5				5
6				6. OTHER RESOURCES				6
7	\$28,930	\$15,111	\$2,500	7 Connection Fees / Service Reimbursements	\$2,500			7
8	\$534,698	\$598,072	\$700,800	8 Sewer Assessments	\$755,000			8
9	\$400,000	\$0	\$400,000	9 Capital Financing				9
10	\$66			10 Other				10
11				11				11
12				12				12
13				13				13
14				14				14
15				15				15
16				16				16
17				17				17
18				18				18
19				19				19
20				20				20
21				21				21
22				22				22
23				23				23
24				24				24
25				25				25
26				26				26
27				27				27
28				28				28
29	\$1,048,910	\$874,159	\$1,337,500	29. Total resources, except taxes to be levied	\$1,206,500	\$0	\$0	29
30				30. Taxes estimated to be received				30
31				31. Taxes collected in year levied				31
32	\$1,048,910	\$874,159	\$1,337,500	32. TOTAL RESOURCES	\$1,206,500	\$0	\$0	32

*Includes Unappropriated Balance Budgeted Last Year

**FORM
LB-30**

**REQUIREMENTS SUMMARY
BY FUND, ORGANIZATIONAL UNIT OR PROGRAM**

GENERAL

(name of organizational unit - fund)

DUNTHORPE-RIVERDALE DISTRICT No. 1

	Historical Data			EXPENDITURE DESCRIPTION	Budget For Next Year 2009 - 10			
	Actual		Adopted Budget This Year 2009 - 09		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2006 - 07	First Preceding 2007 - 08						
				PERSONAL SERVICES				
1				1				1
2				2				2
3				3				3
4				4				4
5				5				5
6				6				6
7	\$0	\$0	\$0	7 TOTAL PERSONAL SERVICES	\$0	\$0	\$0	7
				MATERIALS AND SERVICES				
8	\$313,154	\$318,424	\$335,000	8 System maintenance and disposal	\$340,000			8
9	\$36,046	\$36,491	\$42,250	9 Administrative Costs	\$46,250			9
10		\$94,314	\$95,000	10 Other District Expenses (incl. debt payment)	\$95,000			10
11		\$3,258		11 Pass-through (Connection Permit)				11
12				12				12
13				13				13
14	\$349,200	\$452,487	\$472,250	14 TOTAL MATERIALS AND SERVICES	\$481,250	\$0	\$0	14
				CAPITAL OUTLAY				
15	\$472,631	\$130,397	\$550,000	15				15
16				16 Elk Rock By Pass	\$300,000			16
17				17 Riverview Force Main Rehabilitation	\$35,000			17
18				18 Elk Rock Pump Station	\$80,000			18
19				19 Miscellaneous Pipe Repairs	\$35,000			19
20				20				20
21	\$472,631	\$130,397	\$550,000	21 TOTAL CAPITAL OUTLAY	\$450,000	\$0	\$0	21
				TRANSFERRED TO OTHER FUNDS				
22				22				22
23				23				23
24				24				24
25			\$25,000	25 General Operating Contingency	\$50,000			25
	\$0	\$0	\$25,000	26 TOTAL TRANSFERS AND CONTINGENCIES	\$50,000	\$0	\$0	
27	\$821,831	\$582,884	\$1,047,250	27 TOTAL EXPENDITURES	\$981,250	\$0	\$0	27
28	\$227,079	\$291,275	\$290,250	28 UNAPPROPRIATED ENDING FUND BALANCE	\$225,250			28
29	\$1,048,910	\$874,159	\$1,337,500	29 TOTAL	\$1,206,500	\$0	\$0	29

MULTNOMAH COUNTY SERVICE DISTRICTS' PROPOSED BUDGETS FOR FISCAL YEAR 2009-2010

Budget Message — Mid-County Service District No. 14

This County Service District (originally known as Tulip Acres Lighting District when formed in 1967 now includes most of the unincorporated urban area of Multnomah County as well as the cities of Fairview, Maywood Park, and Troutdale. District growth has stabilized due to the substantial completion of municipal annexations.

Portland General Electric (PGE) provides energy and maintenance services for the District. The County's Department of Community Service's Road Services Division provides administration, illumination engineering, and design services to the District.

The District capital program has slowed significantly and has moved towards individual or small group pole replacement projects. The District proposes a \$25,000 capital pole replacement program for the fiscal year 2010 budget to respond to replace equipment that is at end of life and initiate a painting project for decorative poles.

The district's current assessment is \$35.00 per property per year. FY 2010 the District rate is proposed to move to \$ 45.00 per month. This new rate provides the District with the necessary operating resources to match needs. An unappropriated ending fund balance of \$159,750 is intended to support future replacement of the depreciated District facilities.

**FORM
LB-20**

**RESOURCES
GENERAL
(Fund)**

MID-COUNTY DISTRICT No. 14

(Name of Municipal Corporation)

	Historical Data				Budget for Next Year 2009 - 2010			
	Actual		Adopted Budget This Year 2008 - 09		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2006 - 07	First Preceding Year 2007 -08						
				Beginning Fund Balance:				
1				1. Available cash on hand* (cash basis) or				1
2	\$346,419	\$378,731	\$325,000	2. Net working capital (accrual basis)	\$246,000			2
3	\$6,322	\$5,988	\$5,000	3. Previously levied taxes estimated to be received	\$5,000			3
4	\$22,153	\$17,528	\$20,000	4. Interest	\$10,000			4
5				5. OTHER RESOURCES				5
6	\$300,397	\$254,100	\$255,000	6 Assessments	\$335,000			6
7	\$43	\$7,652		7 Other				7
8				8				8
9				9				9
10				10				10
11				11				11
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23				23				23
24				24				24
25				25				25
26				26				26
27				27				27
28				28				28
29	\$675,334	\$663,999	\$605,000	29. Total resources, except taxes to be levied	\$596,000	\$0	\$0	29
30				30. Taxes estimated to be received				30
31				31. Taxes collected in year levied				31
32	\$675,334	\$663,999	\$605,000	32. TOTAL RESOURCES	\$596,000	\$0	\$0	32

*Includes Unappropriated Balance Budgeted Last Year

**FORM
LB-30**

**REQUIREMENTS SUMMARY
BY FUND, ORGANIZATIONAL UNIT OR PROGRAM**

GENERAL

Name of Organizational Unit - Fund

MID-COUNTY DISTRICT No. 14

	Historical Data			EXPENDITURE DESCRIPTION	Budget For Next Year 2009 - 10			
	Actual		Adopted Budget This Year 2008 - 09		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2006 - 07	First Preceding Year 2007 - 08						
				PERSONAL SERVICES				
1				1				1
2				2				2
3				3				3
4				4				4
5				5				5
6				6				6
7	\$0	\$0	\$0	7 TOTAL PERSONAL SERVICES	\$0	\$0	\$0	7
				MATERIALS AND SERVICES				
8	\$241,899	\$272,319	\$280,000	8 Energy, maintenance and pole rental expenses	\$290,000			8
9				9 (services provided by Portland General				9
10				10 Electric)				10
11	\$39,531	\$42,299	\$43,750	11 Administrative costs (reimbursment to county	\$46,250			11
12				12 general fund and road fund)				12
13	\$15,173	\$3,022	\$25,000	13 Other expenses	\$50,000			13
14	\$296,603	\$317,640	\$348,750	14 TOTAL MATERIALS AND SERVICES	\$386,250	\$0	\$0	14
				CAPITAL OUTLAY				
15	\$0	\$16,753	\$50,000	15 Equipment Replacement	\$25,000			15
16				16				16
17				17				17
18				18				18
19				19				19
20				20				20
21	\$0	\$16,753	\$50,000	21 TOTAL CAPITAL OUTLAY	\$25,000	\$0	\$0	21
				TRANSFERRED TO OTHER FUNDS				
22				22				22
23				23				23
24				24				24
25			\$25,000	25 General Operating Contingency	\$25,000			25
	\$0	\$0	\$25,000	26 TOTAL TRANSFERS AND CONTINGENCIES	\$25,000	\$0	\$0	
27	\$296,603	\$334,393	\$423,750	27 TOTAL EXPENDITURES	\$436,250	\$0	\$0	27
28	\$346,419	\$329,606	\$181,250	28 UNAPPROPRIATED ENDING FUND BALANCE	\$159,750			28
29	\$643,022	\$663,999	\$605,000	29 TOTAL	\$596,000	\$0	\$0	29



MULTNOMAH COUNTY

AGENDA PLACEMENT REQUEST (revised 09/22/08)

Board Clerk Use Only

Meeting Date: 05/07/09
Agenda Item #: R-6 - R-7
Est. Start Time: 9:40 AM
Date Submitted: 04/22/09

Agenda Title: Public Hearing and Consideration of Approval of the 2009-2010 Mid-County Street Lighting Service District No. 14 Proposed Budget for Submittal to Tax Supervising and Conservation Commission

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title sufficient to describe the action requested.

Requested Meeting Date: May 7, 2009 Amount of Time Needed: 10 minutes
Department: Community Services Division: LUT - Road Services
Contact(s): Tom Hansell
Phone: 503 988-5050 Ext. 29833 I/O Address: 425/2nd
Presenter(s): Tom Hansell

General Information

1. What action are you requesting from the Board?

Convene as the governing body of the Mid-County Service District for the following actions:

- Select a Budget Committee Chair and Secretary from presiding members;
- Hear budget message;
- Open Public Hearings to hear and consider any testimony presented by the public about the budget, and
- Vote and approve the budget for submittal to Tax Supervising and Conservation Commission.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

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The annual budget for each district is prepared under the direction of a budget officer designated by the Board. Tom Hansell from the Department of Community Services' Land Use and Transportation Program serves as the Budget Officer and Administrator of the district. The budget committee reviews the annual budget and approves it either as submitted by the budget officer or with revisions requested by the committee.

These procedures fulfill the requirements of Oregon's Local Budget Law (ORS 294), which provides specific methods for obtaining public review and comment on the financial and administrative policies of the districts.

Multnomah County's Departments of County Management and Community Services provide financial, administrative, and engineering services to the district. The district is, however, a separate and independent financial entity. Expenses incurred, such as administration and fiscal services, are met with revenue received from a tax assessment to real property within the street lighting service district.

The district was organized to provide street lighting in the unincorporated areas of Multnomah County and the cities of Maywood Park, Troutdale, and Fairview.

3. Explain the fiscal impact (current year and ongoing).

The district proposes a total budget of \$596,000 for fiscal year 2010. This budget represents a \$9,000, or 1.5% decrease, below the current adopted budget. The reduction was achieved through adjustments in the unappropriated fund balance, anticipated increased fees from Portland General Electric, and small increase for external audit fees. The reduction in unappropriated fund balance was targeted for reduction due to no major capital equipment replacement projects projected for the next five years. The proposed budget also has shifted \$25,000 out of capital outlay and into material services to respond to maintenance tasks on the district's decorative pole inventory and replacement of luminaires which have reached end of life.

The revenues necessary to support the operations of the district are collected through user fees and special assessments collected through the property tax system. The district's current assessment is \$35.00 per property per year. For FY 2010, the district proposes to move the annual rate to \$45.00.

4. Explain any legal and/or policy issues involved.

The district is a separate legal entity (ORS 451). Because of its size, it requires a budget committee. The actions requested by the Board of County Commissioners and District Budget Committee are consistent to meet the requirements of the Tax Supervising Conservation Commission and statewide local budget law.

5. Explain any citizen and/or other government participation that has or will take place.

Published Notice of Public Hearing for the Budget Committee Meeting.

Required Signature

**Elected Official or
Department/
Agency Director:**



Date: 04/22/09

MULTNOMAH COUNTY

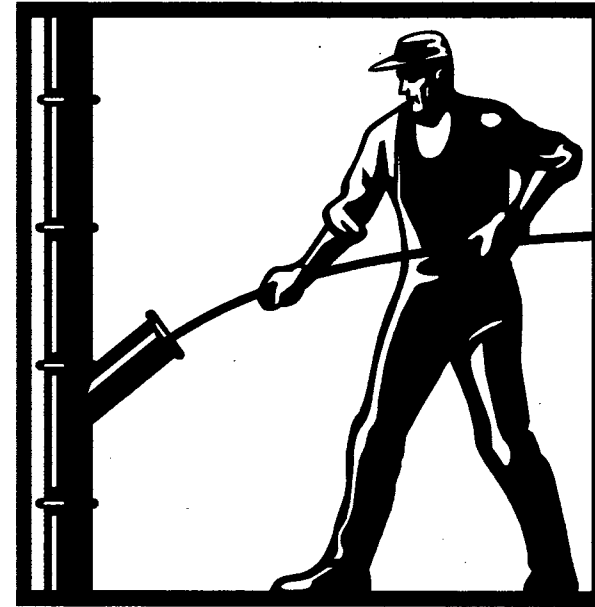
Mid County Lighting & Dunthorpe-Riverdale Sanitary Service Districts Budget Calendar FY 2010

Month	Date	Task
March 09		
	03/16/09	Prepare staff report, LB 20 & 30 for Budget Committee Meeting on May 7th
April 09		
	04/08/09	Send notices & publication dates to <u>Oregonian</u>
	04/15/09	Publish 1st notice of Special Districts Budget Committee meetings on May 7th
	04/29/09	Publish 2nd notice of Special Districts Budget Committee meetings on May 7th
May 09		
	05/07/09	Special Districts Budget Committee meeting; approve for submission to TSCC
	05/08/09	File Approved County, Special Districts budgets to TSCC
	05/18/09	Prepare staff report, resolutions adopting service district budget, forms LB 1 for June 11th
	05/27/09	Send notices & publication date to <u>Oregonian</u>
June 09		
	06/03/09	Publish notices for Public hearing (LB-1) for adoption of County, Special Districts budgets on June 11th
	06/11/09	Public hearing to Adopt Special District budgets
July 09		
	07/10/09	File adopted budgets with TSCC, including certification response letter
	07/10/09	File LB-50's Assessments to Assessor Offices (Clackamas & Multnomah) by 7/15



Multnomah County Service Districts

**Dunthorpe-
Riverdale Sanitary
Service District No. 1
&
Mid-County Street
Lighting
District No. 14
Proposed Budgets**



Fiscal Year 2009-2010

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**FORM
LB-20**

**RESOURCES
GENERAL
(Fund)**

DUNTHORPE-RIVERDALE DISTRICT No.1
(Name of Municipal Corporation)

	Historical Data				Budget for Next Year 2009 - 2010			
	Actual		Adopted Budget This Year 2008 - 09		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2006 - 07	First Preceding Year 2007 -08						
				Beginning Fund Balance:				
1				1. Available cash on hand* (cash basis) or				1
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4	\$24,562	\$24,193	\$12,500	4. Interest	\$12,500			4
5				5				5
6				6. OTHER RESOURCES				6
7	\$28,930	\$15,111	\$2,500	7 Connection Fees / Service Reimbursements	\$2,500			7
8	\$534,698	\$598,072	\$700,800	8 Sewer Assessments	\$755,000			8
9	\$400,000	\$0	\$400,000	9 Capital Financing				9
10	\$66			10 Other				10
11				11				11
12				12				12
13				13				13
14				14				14
15				15				15
16				16				16
17				17				17
18				18				18
19				19				19
20				20				20
21				21				21
22				22				22
23				23				23
24				24				24
25				25				25
26				26				26
27				27				27
28				28				28
29	\$1,048,910	\$874,159	\$1,337,500	29. Total resources, except taxes to be levied	\$1,206,500	\$0	\$0	29
30				30. Taxes estimated to be received				30
31				31. Taxes collected in year levied				31
32	\$1,048,910	\$874,159	\$1,337,500	32. TOTAL RESOURCES	\$1,206,500	\$0	\$0	32

*Includes Unappropriated Balance Budgeted Last Year

**FORM
LB-30**

**REQUIREMENTS SUMMARY
BY FUND, ORGANIZATIONAL UNIT OR PROGRAM**

GENERAL

(name of organizational unit - fund)

DUNTHORPE-RIVERDALE DISTRICT No. 1

	Historical Data			EXPENDITURE DESCRIPTION	Budget For Next Year 2009 - 10			
	Actual		Adopted Budget This Year 2009 - 09		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2006 - 07	First Preceding 2007 - 08						
				PERSONAL SERVICES				
1				1				1
2				2				2
3				3				3
4				4				4
5				5				5
6				6				6
7	\$0	\$0	\$0	7 TOTAL PERSONAL SERVICES	\$0	\$0	\$0	7
				MATERIALS AND SERVICES				
8	\$313,154	\$318,424	\$335,000	8 System maintenance and disposal	\$340,000			8
9	\$36,046	\$36,491	\$42,250	9 Administrative Costs	\$46,250			9
10		\$94,314	\$95,000	10 Other District Expenses (incl. debt payment)	\$95,000			10
11		\$3,258		11 Pass-through (Connection Permit)				11
12				12				12
13				13				13
14	\$349,200	\$452,487	\$472,250	14 TOTAL MATERIALS AND SERVICES	\$481,250	\$0	\$0	14
				CAPITAL OUTLAY				
15	\$472,631	\$130,397	\$550,000	15				15
16				16 Elk Rock By Pass	\$300,000			16
17				17 Riverview Force Main Rehabilitation	\$35,000			17
18				18 Elk Rock Pump Station	\$80,000			18
19				19 Miscellaneous Pipe Repairs	\$35,000			19
20				20				20
21	\$472,631	\$130,397	\$550,000	21 TOTAL CAPITAL OUTLAY	\$450,000	\$0	\$0	21
				TRANSFERRED TO OTHER FUNDS				
22				22				22
23				23				23
24				24				24
25			\$25,000	25 General Operating Contingency	\$50,000			25
	\$0	\$0	\$25,000	26 TOTAL TRANSFERS AND CONTINGENCIES	\$50,000	\$0	\$0	
27	\$821,831	\$582,884	\$1,047,250	27 TOTAL EXPENDITURES	\$981,250	\$0	\$0	27
28	\$227,079	\$291,275	\$290,250	28 UNAPPROPRIATED ENDING FUND BALANCE	\$225,250			28
29	\$1,048,910	\$874,159	\$1,337,500	29 TOTAL	\$1,206,500	\$0	\$0	29

MULTNOMAH COUNTY SERVICE DISTRICTS' PROPOSED BUDGETS FOR FISCAL YEAR 2009-2010

Budget Message — Mid-County Service District No. 14

This County Service District (originally known as Tulip Acres Lighting District when formed in 1967 now includes most of the unincorporated urban area of Multnomah County as well as the cities of Fairview, Maywood Park, and Troutdale. District growth has stabilized due to the substantial completion of municipal annexations.

Portland General Electric (PGE) provides energy and maintenance services for the District. The County's Department of Community Service's Road Services Division provides administration, illumination engineering, and design services to the District.

The District capital program has slowed significantly and has moved towards individual or small group pole replacement projects. The District proposes a \$25,000 capital pole replacement program for the fiscal year 2010 budget to respond to replace equipment that is at end of life and initiate a painting project for decorative poles.

The district's current assessment is \$35.00 per property per year. FY 2010 the District rate is proposed to move to \$ 45.00 per month. This new rate provides the District with the necessary operating resources to match needs. An unappropriated ending fund balance of \$159,750 is intended to support future replacement of the depreciated District facilities.

**FORM
LB-20**

**RESOURCES
GENERAL
(Fund)**

MID-COUNTY DISTRICT No. 14

(Name of Municipal Corporation)

	Historical Data				Budget for Next Year 2009 - 2010			
	Actual		Adopted Budget This Year 2008 - 09		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2006 - 07	First Preceding Year 2007 -08						
				Beginning Fund Balance:				
1				1. Available cash on hand* (cash basis) or				1
2	\$346,419	\$378,731	\$325,000	2. Net working capital (accrual basis)	\$246,000			2
3	\$6,322	\$5,988	\$5,000	3. Previously levied taxes estimated to be received	\$5,000			3
4	\$22,153	\$17,528	\$20,000	4. Interest	\$10,000			4
5				5. OTHER RESOURCES				5
6	\$300,397	\$254,100	\$255,000	6 Assessments	\$335,000			6
7	\$43	\$7,652		7 Other				7
8				8				8
9				9				9
10				10				10
11				11				11
12				12				12
13				13				13
14				14				14
15				15				15
16				16				16
17				17				17
18				18				18
19				19				19
20				20				20
21				21				21
22				22				22
23				23				23
24				24				24
25				25				25
26				26				26
27				27				27
28				28				28
29	\$675,334	\$663,999	\$605,000	29. Total resources, except taxes to be levied	\$596,000	\$0	\$0	29
30				30. Taxes estimated to be received				30
31				31. Taxes collected in year levied				31
32	\$675,334	\$663,999	\$605,000	32. TOTAL RESOURCES	\$596,000	\$0	\$0	32

*Includes Unappropriated Balance Budgeted Last Year

**FORM
LB-30**

**REQUIREMENTS SUMMARY
BY FUND, ORGANIZATIONAL UNIT OR PROGRAM**

GENERAL

Name of Organizational Unit - Fund

MID-COUNTY DISTRICT No. 14

	Historical Data			EXPENDITURE DESCRIPTION	Budget For Next Year 2009 - 10			
	Actual		Adopted Budget This Year 2008 - 09		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2006 - 07	First Preceding Year 2007 - 08						
				PERSONAL SERVICES				
1				1				1
2				2				2
3				3				3
4				4				4
5				5				5
6				6				6
7	\$0	\$0	\$0	7 TOTAL PERSONAL SERVICES	\$0	\$0	\$0	7
				MATERIALS AND SERVICES				
8	\$241,899	\$272,319	\$280,000	8 Energy, maintenance and pole rental expenses	\$290,000			8
9				9 (services provided by Portland General				9
10				10 Electric)				10
11	\$39,531	\$42,299	\$43,750	11 Administrative costs (reimbursment to county	\$46,250			11
12				12 general fund and road fund)				12
13	\$15,173	\$3,022	\$25,000	13 Other expenses	\$50,000			13
14	\$296,603	\$317,640	\$348,750	14 TOTAL MATERIALS AND SERVICES	\$386,250	\$0	\$0	14
				CAPITAL OUTLAY				
15	\$0	\$16,753	\$50,000	15 Equipment Replacement	\$25,000			15
16				16				16
17				17				17
18				18				18
19				19				19
20				20				20
21	\$0	\$16,753	\$50,000	21 TOTAL CAPITAL OUTLAY	\$25,000	\$0	\$0	21
				TRANSFERRED TO OTHER FUNDS				
22				22				22
23				23				23
24				24				24
25			\$25,000	25 General Operating Contingency	\$25,000			25
	\$0	\$0	\$25,000	26 TOTAL TRANSFERS AND CONTINGENCIES	\$25,000	\$0	\$0	
27	\$296,603	\$334,393	\$423,750	27 TOTAL EXPENDITURES	\$436,250	\$0	\$0	27
28	\$346,419	\$329,606	\$181,250	28 UNAPPROPRIATED ENDING FUND BALANCE	\$159,750			28
29	\$643,022	\$663,999	\$605,000	29 TOTAL	\$596,000	\$0	\$0	29

#1

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 5-07-09

SUBJECT: Court abuse

AGENDA NUMBER OR TOPIC: Public Comment

FOR: _____ AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: Roger Weedman

ADDRESS: 3526 S.F. Franklin

CITY/STATE/ZIP: Portland, Or. 97202

PHONE: _____ DAYS: 503-232-6691 EVES: _____

EMAIL: roger.g.weedman@yahoo.com FAX: _____

SPECIFIC ISSUE: inability to make a full
record in court

WRITTEN TESTIMONY: _____

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

#2

**MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP**

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 5/7/09

SUBJECT: Minor in Possession / Drinking in
Multnomah Cty

AGENDA NUMBER OR TOPIC: ↓

FOR: _____ AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: Judy Cushing

ADDRESS: 6443 S.W. Beaverton Hillsdale Hwy

CITY/STATE/ZIP: Portland

PHONE: _____ DAYS: 503 244-5211 EVES: _____

EMAIL: j.cushing@orpartnership.org FAX: _____

SPECIFIC ISSUE: High rates of ⁸¹⁹teen drinking in Multn. Cty

WRITTEN TESTIMONY: no

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

front page →

A growing number of underage Oregonians are drinking like it's spring break year-round HOW WE LIVE, C1



Central Catholic star voted 6A girls basketball player of the year SPORTS, D1

Judy

WEDNESDAY
MARCH 25, 2009

The Oregonian

SUNRISE
EDITION

BREAKING NEWS AT OREGONIANLIVE.COM

WINNER OF SEVEN PULITZER PRIZES

PORTLAND, OREGON

The Oregonian

WEDNESDAY, MARCH 25, 2009

EDITOR: JOAN CARLIN • 503-294-7632
HOWWELIVE@NEWS.OREGONIAN.COM

HOW WE LIVE

THE EDGE

Page C3



"If they have a choice between the alcopops and a vodka drink, they're going to go for the vodka."

Emily Moser, Oregon Partnership



ISRAEL LEAL/ASSOCIATED PRESS

Ah, spring, that time of year when this young woman's thoughts turned to binge drinking at a nightclub in Cancun, Mexico. Binge drinking is on the rise among females, including Oregon eighth-graders, who have surpassed their male counterparts.

The never-ending spring break

A growing number of underage kids toss down alcoholic drinks year-round, with worrisome trends toward binge drinking and health problems

by ANDY DWORKIN (THE OREGONIAN)

A year ago, a booze-fueled spring break trip was all the news when two Portland State University basketball players got into a drunken brawl in Mexico.

That donnybrook drew lots of attention because athletes were involved. But it was otherwise unremarkable: Studies show that, while students don't necessarily drink more on spring break, those who travel with friends are more likely to pass their vacation nights in full debauch.

What's more worrisome to many health experts, educators and parents is how many young people, especially girls, act like they're on spring break year-round. A

surprisingly large number of Oregon students drink five or more alcoholic beverages in a row, what experts call binge drinking. That includes more than 10 percent of Oregon eighth-graders.

In fact, 90 percent of the alcohol drunk by people under 21 is consumed in "binge drinking" episodes, according to the U.S. Centers for Disease Control. And psychological surveys say that a quarter of young men and 14 percent of young women have experienced alcohol dependence, a diagnosable drinking problem.

"They're drinking to get drunk," said Emily Moser, director of parenting programs for the Oregon Partnership, a nonprofit that fights substance abuse. "Teenagers

Please see **DINK**, Page C8

A few sobering statistics for spring break

- Almost half of Oregon's 11th-graders said they drank alcohol in the previous month, according to a 2008 survey.
- Nearly 30 percent of eighth-graders said they drank in the previous month, according to the same survey.
- Oregon eighth-graders are 76 percent more likely than the U.S. average to drink alcohol.
- More than 10 percent of eighth-graders taking a 2007 national survey said they downed at least five alcoholic drinks in a sitting in the previous week. That rose to nearly 22 percent of 10th-graders and 26 percent of 12th-graders.
- Kids who start drinking before age 15 are four times more likely to become adults with drinking problems.

Sources: Oregon Healthy Teens surveys, U.S. Centers for Disease Control, Oregon Partnership

"Teenagers won't think twice about taking three shots in a row, because that's their purpose."

Emily Moser, Oregon Partnership

Binge:
Keep your kids busy; drinking's then less likely

Continued from Page C1

won't think twice about taking three shots in a row, because that's their purpose."

Recent increases in binge drinking among girls especially worry experts. Eighth-grade girls now drink more than eighth-grade boys, and have since 2004, according to national surveys.

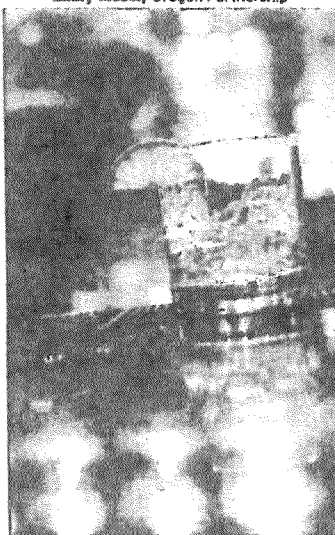
"It's just part of a culture; girls are now doing what guys used to do," said Pete Schulberg, a spokesman for the partnership.

Surprisingly, those girls go for the hard stuff. Moser said hard alcohol is girls' drink of choice over beer. And not just the bright-colored, fruit-flavored bottled cocktails that opponents call "alcopops."

"If they have a choice between the alcopops and a vodka drink, they're going to go for the vodka," Moser said.

Kids going on benders face a host of drinking problems that are different from chronic, adult alcoholics. A 12-year-old's not going to have cirrhosis. But if they binge drink, they can wind up in the hospital for alcohol poisoning.

Young people who drink to get drunk are also more likely to be raped or rape someone else, have unsafe sex and catch a disease, drive drunk, fall or get into a fight. Since people's brains develop through their early 20s, children who drink heavily or regularly also change their patterns of brain development.



FAITH CATHCART/THE OREGONIAN

And kids who drink are more likely to turn into those adult alcoholics with bad livers. Moser said children who drink before 15 are four times more likely to have alcohol problems as adults. That rises to eight times the risk if they also have a family history of alcohol problems.

Health officials and nonprofits have launched a host of efforts to warn kids and parents about the risks of binge drinking. In November, a task force presented Gov. Ted Kulongoski a five-year plan to fight underage drinking in Oregon, which called for more than \$15 million in efforts, including programs to prevent youth drinking and addiction treatment.

The Oregon Liquor Control Commission, Department of Human Services and Oregon Partnership recently teamed up to put signs in liquor stores warning parents that most kids get their alcohol at home (or at a friend's home).

The partnership also launched a special spring break campaign to help parents head off drinking. Studies show the busier kids are, the less likely they are to drink.

"It doesn't mean they have to be in ballet lessons or cello lessons," Moser said. "It doesn't have to be expensive." Talking or traveling with your kids or having them attend school or youth groups works just fine.

Parents also need to know how their kids normally act to look for signs they may be drinking. A list of possible symptoms isn't always useful, because the signs of drinking are sometimes normal for teenagers — sleeping a lot, hanging out with new friends and so on. The key, Moser said, is to look for behavior that is dramatically different from how your child acted before, then ask about it.


Studies show parents can have an impact on youth drinking by securing their alcohol at home and sharing their health concerns and values about drinking with kids.

And the news about youth drinking isn't all bad.

While rates of binge drinking haven't fallen much in several years, they are slightly down from their late-1990s level and well below a high point hit in the late 1970s, when nearly half of 12th-grade boys reported binge drinking in the previous week. And many people seem to follow a natural social progression where their drinking peaks in their late teens and early 20s, then tapers off.

Andy Dworkin: 503-221-8271; andydworkin@news.oregonian.com

DHS: ADDICTIONS AND MENTAL HEALTH DIVISION



State
Epidemiological
Outcomes
Workgroup

Report on Alcohol, Illicit
Drugs and Mental Health in
Multnomah County, Oregon
2000 to 2008



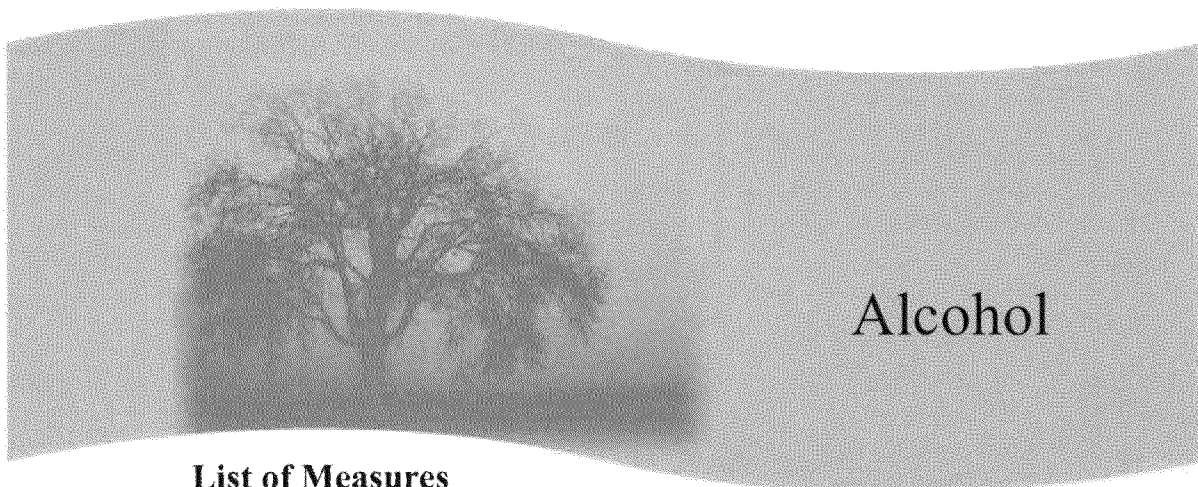
Dear Readers,

This is a preliminary report of the 2000 to 2008 epidemiological data on substance use and mental health in your county. We updated as many of the measures as possible. Once the weighted county data from the 2007-2008 Oregon Healthy Teens survey are available, we will update the reports. Final reports will be available in May, but we know that many of you will find this information of value, especially during legislative session.

The state's goal in doing these reports is to assist in prevention planning. The cost was financed by a federal grant. The purpose of the epidemiological reports is to summarize the nature and magnitude of substance use and mental health and related consequences. This report provides information about 41 core measures, including Government Performance and Results Act (GPRA) measures for alcohol and marijuana. The data can be used to assess prevalence and consequences, identify prevention priorities and track changes over time.

Once the county data becomes available, we will update the youth measures and add an executive summary to your county report. Please be aware that these reports differ from those published in 2007 in the following important ways:

- A mental health section has been added this year because all human behavior is mediated by the brain, especially those behaviors associated with addictive substances. It is essential in mental health and substance abuse prevention and treatment efforts to address biological, psychological and sociocultural factors. In this way improvements will be realized in both arenas simultaneously.
- This report includes a number of new measures including adult marijuana and illicit drug use, domestic disturbance offenses, depression in adults and youth, psychological distress in adults and youth and early social/emotional development. In addition, all mortality data has been age-adjusted making comparison to the state rates more reliable.
- The only exclusion from this report is the tobacco-related data which can be accessed through a report published by the Tobacco Prevention and Education Program titled, "Oregon Tobacco Facts." County tobacco fact sheets are also available online respectively at:
www.healthoregon.org/tobacco
<http://www.oregon.gov/DHS/ph/tobacco/countyfacts.shtml>



List of Measures

- 1 Rate of death from motor vehicle crashes
- 2 Percent of motor vehicle fatalities that are alcohol-involved
- 3 Rate of death from alcohol-induced disease
- 4 Alcohol abuse or dependence
- 5 Crimes against persons
- 6 Current alcohol use by adults
- 7 Current binge drinking by adults
- 8 Current heavy use of alcohol by adults
- 9 Current alcohol use by youth
- 10 Current binge drinking by youth
- 11 Drinking and driving among youth
- 12 Gambling by youth
- 13 Early initiation of alcohol use
- 13 Early initiation of alcohol use
- 14 Average age of initial alcohol use
- 15 Availability of alcohol
- 16 Perceived risk of harm from alcohol use
- 17 Perception of parent disapproval of alcohol use

Alcohol

Youth data

Measure 9

Current alcohol use by youth

Why this measure is important

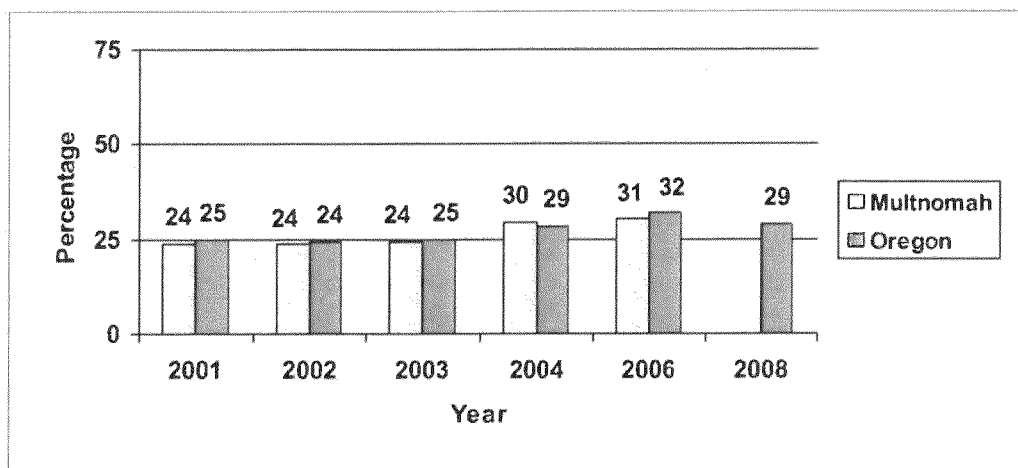
An American Medical Association report shows that adolescent drinkers perform worse in school, are more likely to fall behind and have an increased risk of social problems, depression, suicidal thoughts and violence. Even occasional heavy drinking injures young brains. Oregon has a goal of reducing 8th grade alcohol use to less than 17 percent by 2010.

Survey question(s)

On how many occasions (if any) have you had beer or wine (non-religious) or hard liquor to drink during the past 30 days?

Percent of Youth Who Drank Alcohol on One or More Occasions in the Past 30 Days

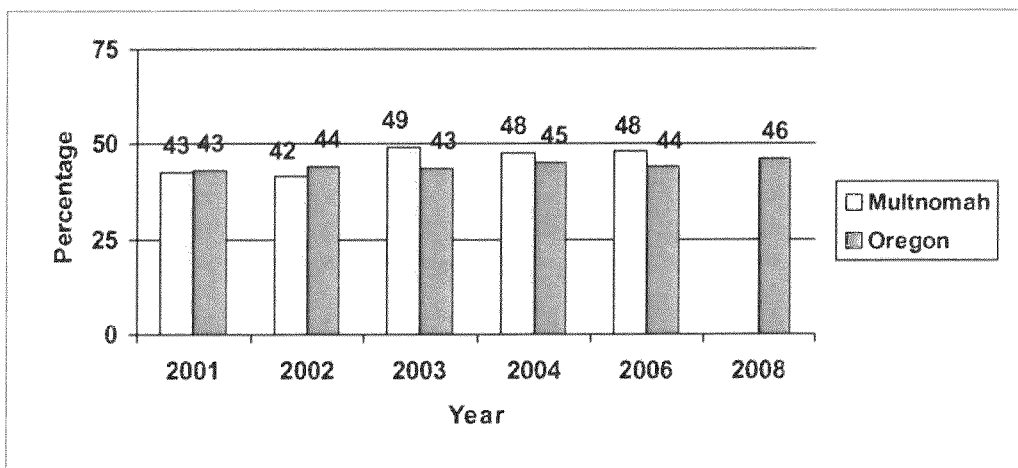
8th grade



Data Source: Oregon Healthy Teens Survey

Percent of Youth Who Drank Alcohol on One or More Occasions in the Past 30 Days

11th grade



Data Source: Oregon Healthy Teens Survey

Alcohol

Youth data

Measure 10

Why this measure is important

Current binge drinking by youth

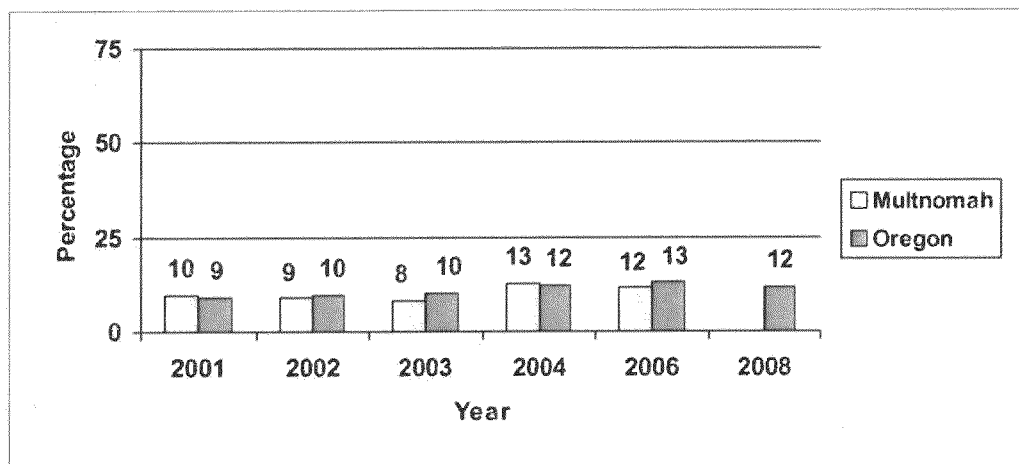
Young people who consume alcohol are more likely than adults to drink heavily. Youth who binge drink are much more likely to engage in other risky behaviors such as drug use, risky sexual behavior and aggressive antisocial behavior. Binge drinking is strongly associated with injuries, motor vehicle crashes, violence, and a number of chronic and acute health conditions.

Survey question(s)

During the past 30 days, on how many days did you have 5 or more drinks of alcohol in a row, that is, within a couple hours?

Percent of Youth Who Report Binge Drinking in the Past 30 Days

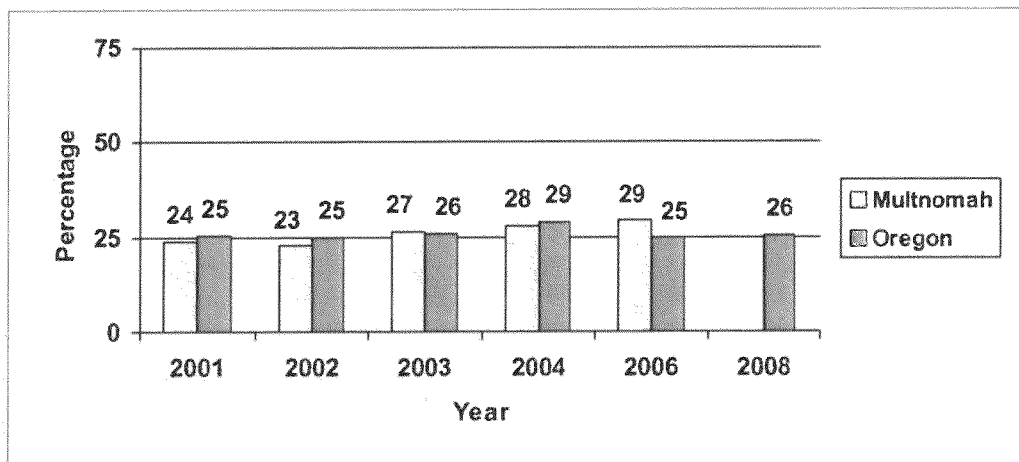
8th grade



Data Source: Oregon Healthy Teens Survey

Percent of Youth Who Report Binge Drinking in the Past 30 Days

11th grade



Data Source: Oregon Healthy Teens Survey

Alcohol

Youth data

Measure 13

Early initiation of alcohol use

Why this measure is important

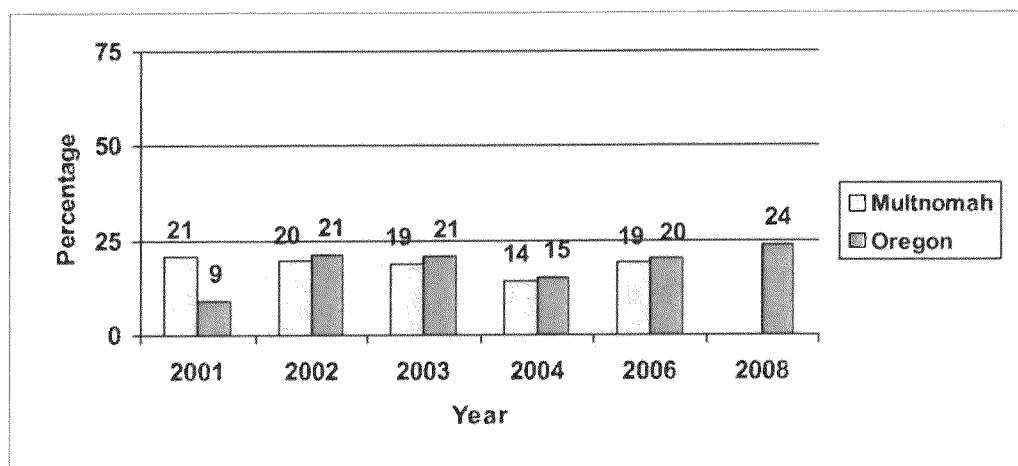
Initiation of alcohol use at young ages, especially in pre-adolescence, has been linked to more intense and problematic levels of use in adolescence and adulthood. Young people who consume alcohol are more likely than adults to binge drink. Researchers found that 45 percent of the people who began drinking before age 14 developed later alcohol dependence, compared with only 10 percent of those who waited until they were 21 or older to start drinking.

Survey question(s)

How old were you when you had more than a sip or two of beer, wine or hard liquor for the first time?

Percent of Youth Who Report They Were Less Than 11 Years Old When They Drank Alcohol for the First Time

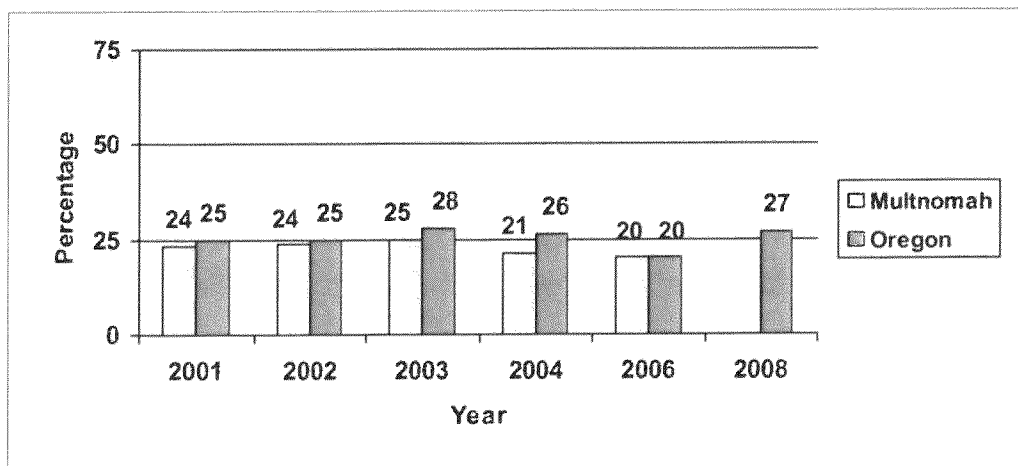
8th grade



Data Source: Oregon Healthy Teens Survey

Percent of Youth Who Report They Were Less Than 13 Years Old When They Drank Alcohol for the First Time

11th grade



Data Source: Oregon Healthy Teens Survey

Alcohol

Youth data

Measure 14

Average age of initial alcohol use

Why this measure is important

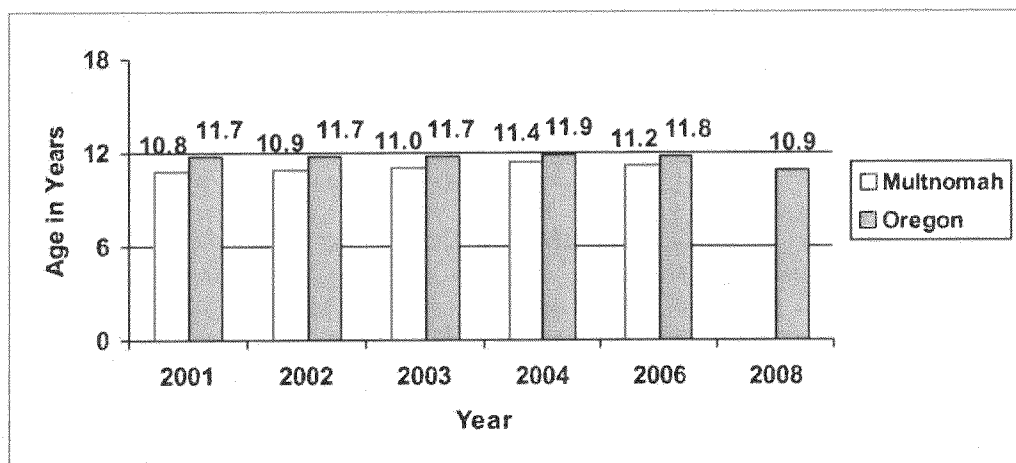
Findings from a recent prospective study indicate substance exposure before the age of 15 more than doubles the odds of adult substance dependence, early pregnancy and criminal convictions. These findings applied to all youth including those with no other conduct problems at the time they initiated use.

Survey question

How old were you when you had more than a sip or two of beer, wine or hard liquor for the first time?

Average Age at Initial Alcohol Use

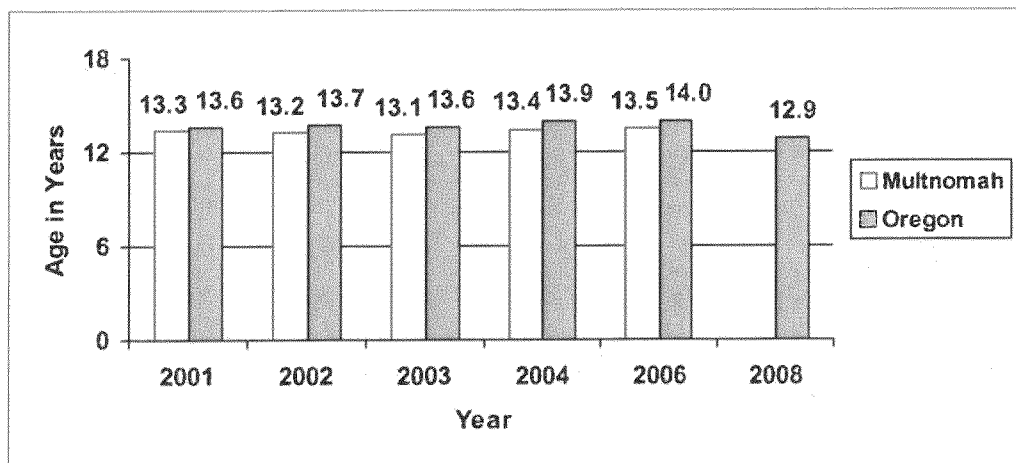
8th grade



Data Source: Oregon Healthy Teens Survey

Average Age at Initial Alcohol Use

11th grade



Data Source: Oregon Healthy Teens Survey

Alcohol

Youth data

Measure 15

Availability of alcohol

Why this measure is important

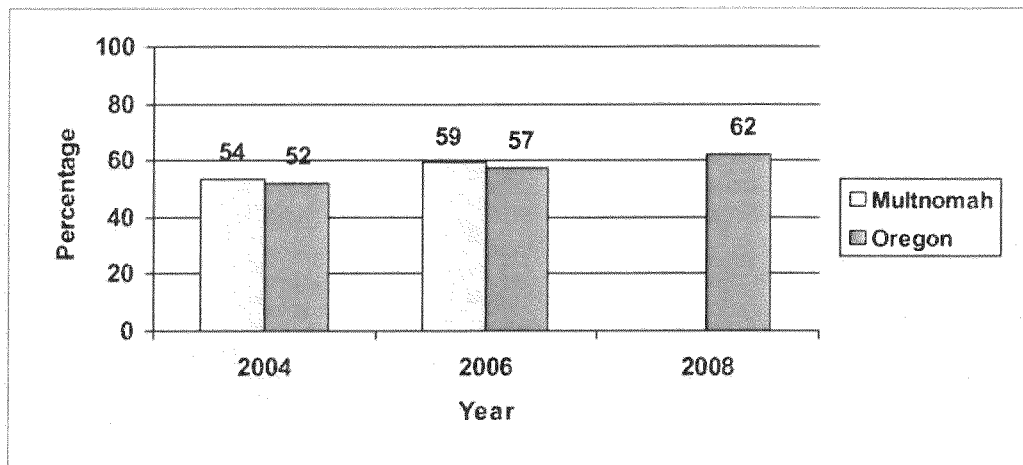
Easy access to alcohol is associated with increased risk of current alcohol use and binge drinking, especially at early ages. Youth obtain alcohol from many sources in addition to retailers, including friends, siblings, parents and taking it from the home without permission. In Oregon it is illegal for persons under the age of 21 to purchase alcohol.

Survey question

If you wanted to get some beer, wine or hard liquor (for example, vodka, whiskey or gin), how easy would it be for you to get some?

Percent of Youth Who Say It Is "Sort of Easy" or "Very Easy" to Get Some Beer, Wine or Hard Liquor

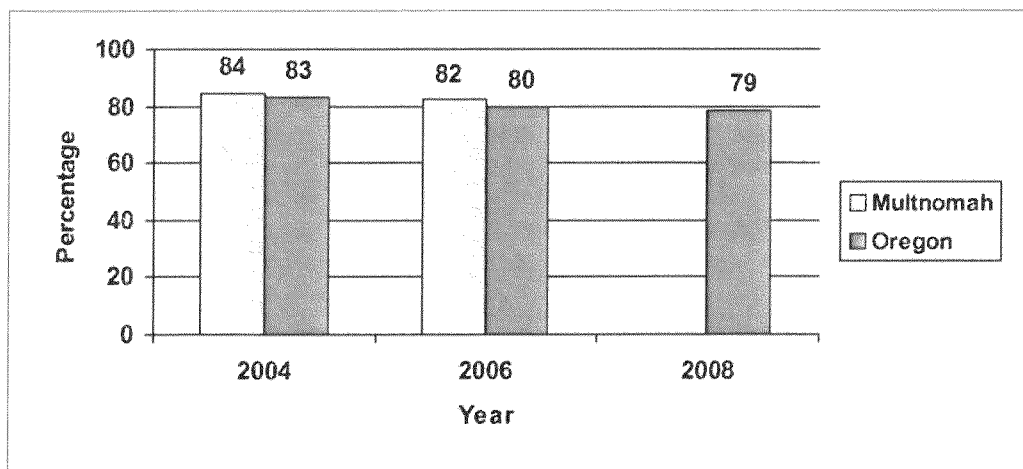
8th grade



Data Source: Oregon Healthy Teens Survey

Percent of Youth Who Say It Is "Sort of Easy" or "Very Easy" to Get Some Beer, Wine or Hard Liquor

11th grade



Data Source: Oregon Healthy Teens Survey

Alcohol

Youth data

Measure 16

Why this measure is important

Perceived risk of harm from alcohol use

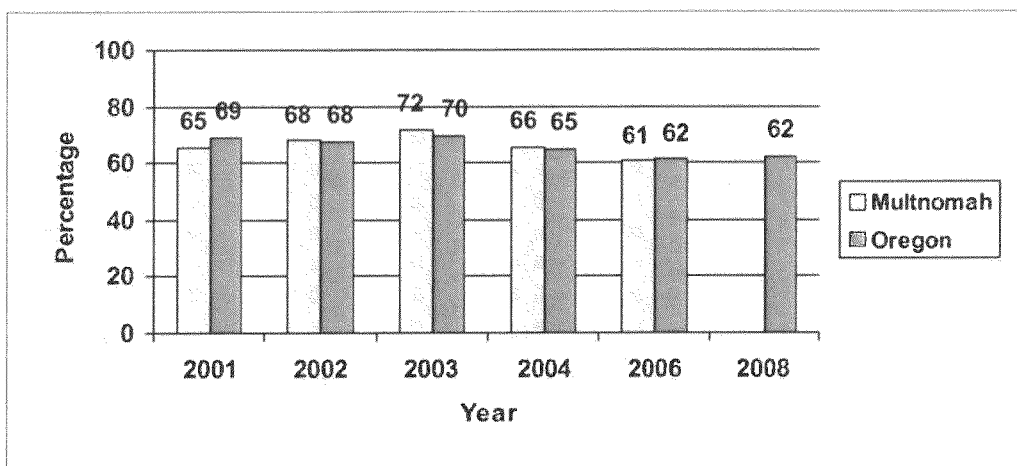
Perceived risk of harm from alcohol use is a deterrent to drinking, especially at early ages. Oregon 8th graders who thought there was "moderate" or "great risk" of harm from drinking alcohol nearly every day were significantly less likely to drink or binge drink than those who thought there was "slight" or "no risk" of harm.

Survey question

How much do you think people risk harming themselves (physically or in other ways if they take one or two drinks of an alcoholic beverage (beer, wine or hard liquor) nearly every day?

Percent of Youth Who Believe There is "Moderate" or "Great" Risk of Harm from Drinking Nearly Every Day

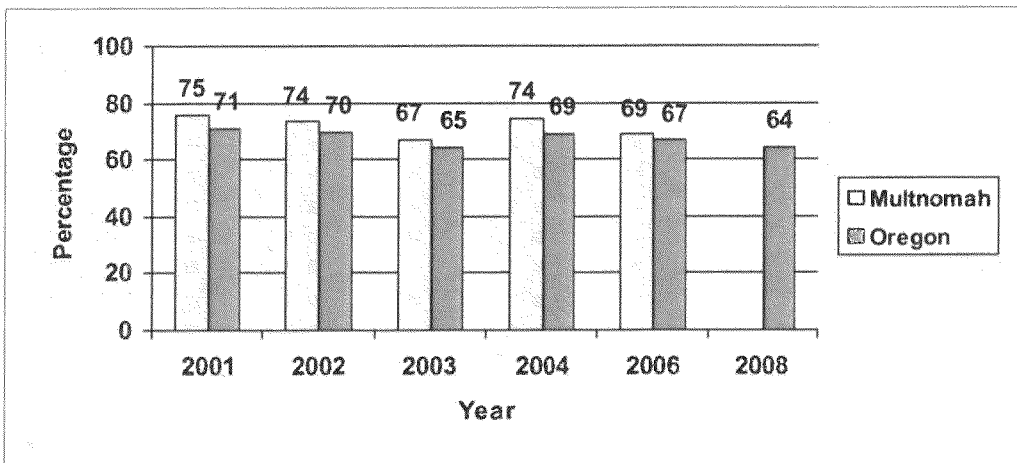
8th grade



Data Source: Oregon Healthy Teens Survey

Percent of Youth Who Believe There is "Moderate" or "Great" Risk of Harm from Drinking Nearly Every Day

11th grade



Data Source: Oregon Healthy Teens Survey

Alcohol

Youth data

Measure 17

Perception of parent disapproval of alcohol use

Why this measure is important

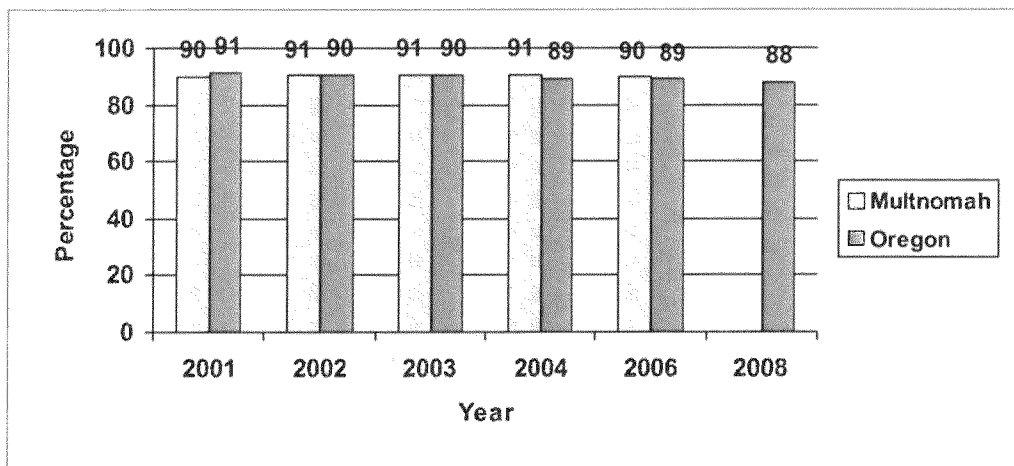
Parents can play an influential role in preventing underage drinking. Youth who know their parents disapprove of underage drinking are less likely to drink alcohol, especially at an early age. Oregon 8th graders who believe their parents would think it is "wrong" or "very wrong" if they drank alcohol were half as likely to drink than youth who believe their parents would think it is "a little bit wrong" or "not wrong at all."

Survey question

How wrong do your parents feel it would be for you to drink beer, wine, or liquor (for example, vodka, whiskey or gin) regularly?

Percent of Youth Who Say Their Parents Think It Is "Wrong" or "Very Wrong" for Youth to Drink Alcohol

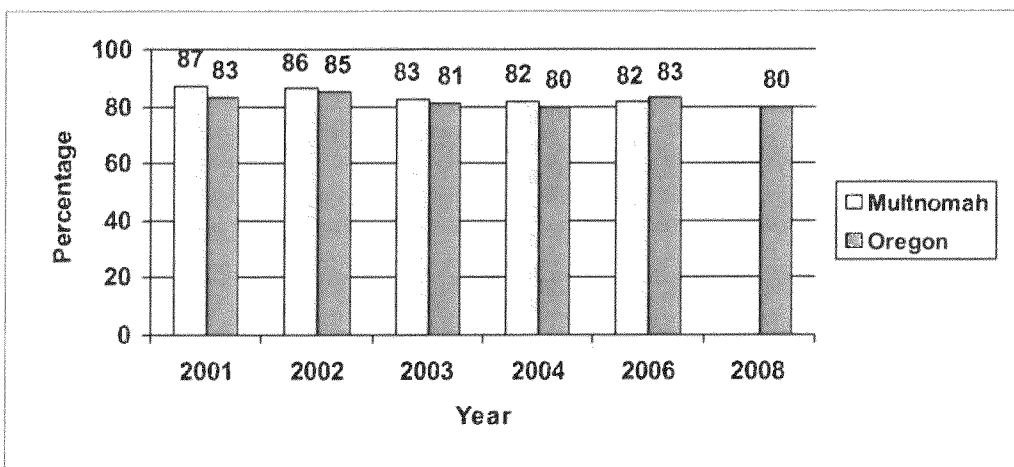
8th grade



Data Source: Oregon Healthy Teens Survey

Percent of Youth Who Say Their Parents Think It Is "Wrong" or "Very Wrong" for Youth to Drink Alcohol

11th grade



Data Source: Oregon Healthy Teens Survey

Program # 25095 - Oregon Partnership Community Response to Minor In Possession

Version 2/27/2009 s

Priority: Basic Needs

Lead Agency:

County Human Services

Program Offer Type: Innovative/New Program

Program Contact:

Karl Brimner

Related Programs:

Program Characteristics: Out of Target

Executive Summary

The Oregon Partnership Community Response to Minor In Possession will engage youth to create media messages with the purpose of influencing community attitudes and norms to reduce underage drinking. Piloted in two high schools served by the Schools Uniting Neighborhoods (SUN) Service System surrounding neighborhoods, saturated with approximately 10,000 messages countering stereotypes of teen alcohol use with actual local usage survey data. The campaign will increase community awareness of Minor in Possession (MIP) enforcement policies by ensuring representation from targeted neighborhoods in MIP strategy meetings and including MIP enforcement updates in campaign messages.

Program Description

40 participating youth will create broadcast and print materials to raise awareness and help parents and community members keep their kids safe, healthy and alcohol-free. Campaign messages will counter common misperceptions that sustain underage alcohol use. Youth at two Portland Schools Uniting Neighborhoods (SUN) Community high schools will gather data from fellow students and community members about youth alcohol use. Using research results, they will educate the community about its actual norms of health, as well as the pervasiveness of localized alcohol advertising. In each neighborhood, the campaign will conduct three surveys and one focus group; distribute approximately 1,000 posters, 3,000 flyers, mailers and tip cards; 1,000 promotional items; run paid and pro-bono advertising on radio and in print; train students to conduct educational presentations to incoming freshman; conduct combined community meetings partnering with the joint task force created in 2007 to strengthen consequences of Minor in Possession (MIP) citations. Neighborhood MIP task force meetings will focus on the development of short and long-term strategies for MIP diversion and assist in planning an MIP community service hours project to be piloted within the SUN system.

Program Justification

The campaign to respond to minor in possession is a universal environmental prevention strategy designed to address community attitudes on underage drinking which extends a current campaign, Face It Parents, launched by Oregon Partnership (OP) in 2005 and targets youth and segments of the neighborhood population with uniquely tailored messages and interventions. This campaign builds upon OP's current collaboration with the SUN Service System and Portland Public Schools on a community project within the Marshall High School cluster. It is a "social norms" strategy emphasizing communities' responsibility to create policies that maintain a healthy and safe environment and recommending that changes in policy and enforcement include collaboration with community partners. This collaborative approach aligns with the MIP Task Force recommendation that any regulatory action be part of a comprehensive community plan to change community norms and expectations.

Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY07-08)	Current Year Purchased (FY08-09)	Current Year Estimate (FY08-09)	Next Year Offer (FY09-10)
Output	Students recruited and trained (total 2 schools) ¹	0	0	0	40
Outcome	Decrease alcohol use by high school students in 2 schools (average) ²	0.0%	0.0%	0.0%	5.0%
Output	Distribute campaign materials in 2 schools and 2 neighborhoods ³	0	0	0	10,000
Outcome	Increase in accurate perceptions of peer alcohol use ^{*4}	0.0%	0.0%	0.0%	10.0%

Performance Measure - Description

This is a new program, so there are no previous year or current year measures. Number of HS Students recruited and trained: 20 per high school to survey high school students and community members and to assist with creation of media campaign materials. ² Decrease average alcohol use by 5% among students at both high schools, as determined by results of student survey. ³ 5,000 Campaign materials per neighborhood: posters, flyers, promotional items. ^{*4} Increase accurate perceptions by 10% among students, parents and community members about the percentage of students who are not using alcohol, as determined by analysis of survey results.

Legal/Contractual Obligation

None.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2009	2009	2010	2010
Contracts	\$0	\$0	\$100,000	\$0
Subtotal: Direct Exps:	\$0	\$0	\$100,000	\$0
Administration	\$0	\$0	\$0	\$0
Program Support	\$0	\$0	\$0	\$0
Subtotal: Other Exps:	\$0	\$0	\$0	\$0
Total GF/non-GF:	\$0	\$0	\$100,000	\$0
Program Total:	\$0		\$100,000	
Program FTE	0.00	0.00	0.00	0.00
Program Revenues				
Program Revenue for Admin	\$0	\$0	\$0	\$0
Total Revenue:	\$0	\$0	\$0	\$0

Explanation of Revenues

County General Fund - \$100,000

Significant Program Changes**Last year this program was:**

This is a new program offer for fiscal year 2009-2010 that is funded 100% by County General Funds. Therefore there will be no Cost-of-Living (COLA) increase over last fiscal year.



MULTNOMAH COUNTY

AGENDA PLACEMENT REQUEST (revised 09/22/08)

Board Clerk Use Only

Meeting Date: 05/07/09
Agenda Item #: R-8
Est. Start Time: 9:55 AM
Date Submitted: 04/01/09

Agenda Title: Amended Strategic Investment Program Contract Between Multnomah County, the City of Gresham and Microchip Technology, Incorporated

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title sufficient to describe the action requested.

Requested Meeting Date: May 7, 2009 Amount of Time Needed: 15 Minutes
Department: Non-Departmental Division: Office of the Chair
Contact(s): Peggidy Coffman Yates
Phone: 503.988.4878 Ext. 84878 I/O Address: 503/600
Presenter(s): Peggidy Coffman Yates, Sandra Duffy, Kathy Clevenger

General Information

1. What action are you requesting from the Board?

We are requesting the Multnomah County Board of Commissioners approve an Amended Strategic Investment Program (SIP) Contract between Microchip Technology Incorporated, the City of Gresham and Multnomah County. The Amendment extends the SIP Contract signed by the parties in 2002 from seven years to a standard 15 year period referenced by the State of Oregon statutes.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

The Strategic Investment Program is a performance-based public/private partnership designed to attract local investment by capital intensive industries and promote job creation.

Microchip Technologies Inc., headquartered in Chandler, Arizona is a leading global manufacturer of microcontrollers and analog semiconductors, designs, manufactures and sells their production in facilities located in Asia, Europe and Japan. In 2002, Microchip was evaluating the Fujitsu Microelectronics plant in Gresham as another production facility. A critical component of the purchasing of the Fujitsu site their ability to qualify, gain approval and execute a Strategic Investment Program Contract which provided partial property tax abatement on their \$183.5 million investment. Under the existing SIP Contract, Microchip pays property taxes on the first \$100 million of investment which increases by 3% annually over the life of the contract. Investment

greater the \$100 million receives a property tax abatement but in return the Company is required to pay an annual Community Service Fee on 25% of abated taxes up to \$2 million per year.

Microchip remains an excellent partner with the County and City fulfilling its contractual obligations outlined including meeting employment projections, providing employee job training, focusing on local hiring, good wages and benefits, making timely payment of property taxes and Community Service Fee, contributing to the local community and adhering to all reporting requirements.

Microchip wants to double its wafer production and is determining whether to make the additional investment in Gresham, Chandler or offshore. The projected invest is in excess of \$110 million in Fab 4 production and represents an increase employment from 360 to 600 by 2018. The Current average annual salary at the Gresham plant is over \$42,000. The extension of the SIP to 15 years makes Gresham an economically viable manufacturing site when compared to China and the Philippines. Prior to making any capital decision, Microchip requires approval of an Amended SIP Contract that extends the expiration date to 2018.

3. Explain the fiscal impact (current year and ongoing).

The existing contract between Microchip, Multnomah County and City of Gresham terminates June 30, 2010. Based on an Amended SIP, Microchip will continue to pay property taxes on the initial \$100 million of investment and an annual Community Service Fee of 25% of abated taxes on any investment exceeding \$100 million up to \$2 million until 2018. Projected tax abatement over the extension period is contingent upon timing of the proposed investment and the depreciation schedule.

In addition to the direct benefit of employment growth and private local investment, it is estimated that for every dollar invested in the semiconductor industry in the region, it generates an additional \$2.9 in secondary impacts including suppliers and ancillary services.

4. Explain any legal and/or policy issues involved.

The standard State of Oregon SIP contract is 15 years. In 2002, the Multnomah County Board approved a 7 year contract based upon the economic climate and the projected benefits associated with the company's investment. Extending the Microchip SIP to 15 years brings the Microchip contract in line with the state standard. In addition to the amended contract, Microchip will sign a revised First Source Agreement (FSA) in accordance with Oregon statutes. The FSA stipulates that Microchip will make every effort to hire locally.

5. Explain any citizen and/or other government participation that has or will take place.

The original Strategic Investment Zone Contract, signed in 2002, was between Multnomah County, City of Gresham and Microchip Technology Incorporated. Microchip Technology Incorporated and the City of Gresham are required to sign the Amended Contract. Microchip has approved the Amended Contract and Gresham City Council is scheduled to take action on May 5, 2009. In addition to the Amended SIP Contract, Multnomah County has received approval from Worksystems, Inc. to act as agent for the First Source Hiring Agreement, similar to their role in the Strategic Investment Zone standardized contracts.

Required Signature

Elected Official or
Department/
Agency Director:



Date: 04/01/09

**AMENDED STRATEGIC INVESTMENT PROGRAM
CONTRACT**

BETWEEN

MULTNOMAH COUNTY, OREGON,

CITY OF GRESHAM, OREGON,

AND

MICROCHIP TECHNOLOGY INCORPORATED

May __, 2009

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AMENDED AGREEMENT

This Amended Agreement is by and between Multnomah County (the "County"), the City of Gresham (the "City") and Microchip Technology Incorporated ("MCHP"), 2355 West Chandler Blvd., Chandler, Arizona 85224-6199.

I. RECITALS.

- A. MCHP has requested that the County approve an extension of the term of the August 15, 2002, Strategic Investment Program Agreement, providing a partial property tax exemption for its facility in Gresham, Oregon, from seven (7) years to fifteen (15) years.
- B. ORS 285B.380 to 285B.392 (2001) describes the process in place in 2002 for obtaining the Strategic Investment Program ("SIP") partial tax exemption which is described in ORS 307.123. The Strategic Investment Program exemption requires the owner to pay property tax on the first one hundred million dollars (\$100,000,000) of value of the facilities which receives the exemption; that taxable base increases each year by three percent. The exemption is temporary, lasting no longer than 15 years.
- C. On, August 23, 2002, by Resolution (attached as Exhibit 1), the Oregon Economic and Community Development Commission, at the request of the Multnomah Board of County Commissioners, approved the MCHP facilities as an "eligible project."
- D. MCHP seeks an extension of the original seven (7) year term of the Agreement to fifteen (15) years because it is contemplating additional investment in equipment at the facilities. The partial tax exemption of ORS 307.123 would provide an economic benefit to the company, which would allow it to retain employees and, perhaps, hire additional employees. The capped total assessed value of the Project would remain at \$490 million. Without an extension of the SIP partial tax exemption, MCHP would not be able to make the additional investments in improvements at the Gresham, OR Project, and it is in danger of becoming an obsolete facility.
- E. The County and the City have approved the terms of this Agreement, which contains the amended provisions relating to the SIP and the partial tax exemption for the Project.
- F. MCHP intends to remain an exemplary corporate citizen. The County and City understand that, to be an exemplary corporate citizen, MCHP must be able to operate the Project in a competitive manner responsive to semiconductor industry conditions. This Agreement therefore adjusts or conditions certain of MCHP's obligations upon conditions in the semiconductor industry, demand for product produced at the Project, and other factors which are beyond MCHP's control. The parties acknowledge that, if doubt arises about the nature or extent of MCHP's obligations under this Agreement, this Agreement should be interpreted in a manner that allows MCHP to operate the Project competitively while meeting the County's goals.

Now therefore, in consideration of the following mutual promises, the parties agree as follows:

II. LIMITATIONS ON QUALIFICATION OF PROJECT FOR EXEMPTION; FUTURE EXEMPTIONS.

A. *Limitations.*

The Project consists of the purchase, improvement and equipping of FMI's facilities in Gresham, Oregon. Only \$490 million of assessed value of the Project will be eligible for the exemption, and any assessed value at the Project during the term of this Agreement which exceeds \$490 million shall not be eligible for the SIP exemption. The Project shall receive the SIP exemption for fifteen fiscal years, commencing with County fiscal year 2003-04, and this Agreement and MCHP's SIP partial tax exemption shall terminate on June 30, 2018.

The maximum investments which MCHP expects to make, and the tax years in which those investments will appear on the tax rolls, are estimated to be:

County Tax Year	7/1/10-6/30/11	7/1/11-6/30/12	7/1/12-6/30-13	7/1/13-6/30/14
Lien Date	1/1/2010	1/1/2011	1/1/2012	1/1/2013
Initial Investment	180,000,000	180,000,000	180,000,000	180,000,000
Facilities/Site Work	8,421,593	11,421,593	14,421,593	17,421,593
Manufacturing Equipment	52,529,557	65,529,557	78,529,557	91,529,557
Total Value of Assets	240,951,150	256,951,150	272,951,150	288,845,444
Estimated Accumulated Depreciation	(11,857,711)	(19,762,281)	(30,178,279)	(43,105,706)
Total Assessed Value	229,093,439	237,188,869	242,772,871	245,845,444
SIP Floor	122,987,387	126,677,008	130,477,318	134,391,638
Property Taxes	1,952,585	2,011,162	2,071,497	2,133,642
CSF	421,143	438,630	445,709	442,369
Total Payments by MCHP	2,373,728	2,449,792	2,517,207	2,576,010
SIP Benefits to MCHP	1,263,429	1,315,890	1,337,128	1,327,106
County Tax Year	7/1/14-6/30/15	7/1/15-6/30/16	7/1/16-6/30/17	7/1/17-6/30/18
Lien Date	1/1/2014	1/1/2015	1/1/2016	1/1/2017
Initial Investment	180,000,000	180,000,000	180,000,000	180,000,000
Facilities/Site Work	20,521,593	23,421,593	26,421,593	29,421,593
Manufacturing Equipment	104,529,557	117,529,557	130,529,557	143,529,557
Total Value of Assets	304,951,150	320,951,150	336,951,150	352,951,150
Estimated Accumulated Depreciation	(58,544,562)	(75,234,846)	(93,176,558)	(106,019,416)
Total Assessed Value	246,406,588	245,716,304	243,774,592	246,931,734
SIP Floor	138,423,387	142,576,089	146,853,371	151,258,972

Property Taxes	2,197,651	2,263,581	2,331,488	2,401,433
CSF	428,593	409,371	384,688	379,732
Total Payments by MCHP	2,626,245	2,672,952	2,716,176	2,781,165
SIP Benefits to MCHP	1,285,780	1,228,114	1,154,0633	1,139,197

B. *Schedule Shows Maximum Benefits; Exemption Approved under Extraordinary Circumstances, Future Exemptions.*

1. This schedule of investments is an estimate of the maximum level of investment which MCHP currently expects it will make at the Project. Actual investments at the Project may be substantially less, reducing the associated SIP benefit to MCHP.
2. This SIP exemption for MCHP is being approved under extraordinary circumstances: the economy has been in recession, jobs have been lost. MCHP is asking for an extension of the SIP agreement to meet its eight year planning horizon. MCHP may make significant improvements at the Project site which would qualify for the SIP partial tax exemption.

C. *Verification of Factual Assumptions.*

- (1) MCHP has agreed to pay the County a SIP processing fee which is equal to the County's costs for contract preparation, but does not exceed \$5000.

This sum shall be paid to the County within six months following the approval of the Amended SIP Agreement by the Board of County Commissioners.

III. STATUTORY OBLIGATIONS OF MCHP.

A. *Payment of CSF.*

1. Amount.

For each year in which MCHP receives the Property Tax Abatement, MCHP shall pay to the County a Community Service Fee (CSF), as provided by ORS 285C.609(4)(b)(B), equal to 25 percent of the property taxes abated in such tax year, but not exceeding \$2 million.

2. By November 15.

The CSF payment shall be made to the County Finance Manager no later than November 15 of each year, commencing with November 15, 2003. However, MCHP shall not be required to pay the CSF before ten business days after MCHP receives the invoice described in Section III.A.3, below. Payment shall be made based on an invoice submitted by the County to MCHP in such form and according to such method as shall be agreed to by the parties prior to November

15 of the tax year in which the Project is assessed and taxed. The payment shall be sent to:

Mindy Harris
Position Title: Chief Financial Officer
Address: Multnomah County, Oregon
501 SE Hawthorne Blvd, 4th Floor
PO Box 14700
Portland, Oregon 97293

3. Statement 30 Days in Advance

The County shall provide MCHP with a statement of the CSF due no less than 30 days prior to the due date.

4. Adjustments

If the assessed value of the Project is adjusted after November 15 of any tax year in such a manner that property taxes due from MCHP for that year are reduced, and the reduction reduces the CSF for that year, the County shall pay the amount of the reduction to MCHP, together with interest at the rate established by law for tax refunds (ORS 311.505(2)) from the date of payment of the CSF. If the County does not pay the amount by November 10 of the following year, MCHP may withhold the unpaid amount, plus interest as provided in this Section, from subsequent CSF payments due from MCHP under this Agreement. If the remaining CSF payments due from MCHP are less than the amount owed by the County to MCHP under this Section, the County shall pay the amount due to MCHP not later than December 15 of the year following the year in which the reduction occurs. An appeal of the assessed value does not defer the payment of the CSF. The CSF shall be paid as set out in paragraph 2 above. Any adjustments based on the outcome of the appeal shall be in accord with this paragraph.

5. Nonpayment of CSF.

In compliance with ORS 307.123(b)(6), if MCHP fails to pay the CSF fee required by ORS 285C.609(4)(b)(B), by the end of the tax year in which it is due, the tax exemption shall be revoked and the property shall be fully taxable for the following tax year for which the fee remains unpaid. It is agreed that MCHP shall pay the CSF for a total of fifteen (15) years.

B. First Source Agreement.

To target the County's unemployed and underemployed population and comply with the requirements of ORS 285C.606(5), MCHP entered into an Exclusive Full-Service First Source Hiring Agreement (FSA), with the Multnomah County or its designated contact agency(s) as defined in OAR 123-070-1100. MCHP will execute the template FSA adopted by the County and the City for the Gresham Strategic Investment Zone # 1. An executed copy of the new FSA

is attached to this Agreement as Exhibit 2. Compliance with the terms of the new FSA is a requirement of this agreement.

IV. ADDITIONAL OBLIGATIONS OF MCHP TO MEET COUNTY SIP STANDARDS AND GOALS.

In consideration of the County's and City's actions to approve a SIP exemption for the Project, MCHP agrees to fill the role of an exemplary corporate citizen in Multnomah County as provided in this Agreement. Such a citizen helps prepare the unemployed and underemployed, including the emerging workforce from local high schools, community colleges, and universities, for entry level jobs which provide career paths, family wages, and excellent benefits, including childcare referrals and negotiations of group rates, which help assure the success of the employee in those jobs. An exemplary corporate citizen also leads the business community by progressing toward a goal to have no negative impact on the environment through state-of-the-art transportation and environmental programs. And, an exemplary corporate citizen positively affects the educational and economic well-being of the community in which it resides by directing its efforts and resources to the benefit of its community's citizens and businesses. By meeting the performance requirements specified in this Agreement, MCHP will meet its responsibilities as an exemplary corporate citizen.

A. *Hiring, Wages, Benefits, Training and Retention.*

County goals:

To create long term jobs with family wages, benefits and working conditions for County residents or creation of a full spectrum of jobs for residents of Multnomah County who are unemployed or underemployed, with a clear career track from entry-level jobs to family wage jobs.

To provide educational opportunities to enhance upward mobility for both technical and management roles.

To minimize the number of contracted on-site jobs that pay low wages.

MCHP acknowledges these County goals and agrees to take the following actions in support of those goals:

1. Local Hiring.

MCHP's goal is to hire many local candidates. MCHP will focus on previous employees who have directly related semiconductor fabrication experience. Once MCHP has exhausted those rehiring possibilities, MCHP will work with WorkSystems, Inc, or other provider appointed by the County, to find more qualified candidates.

2. Retention of Existing Jobs and New Hires.

a. Number of Jobs.

MCHP currently projects that, at a minimum, the following jobs will be retained or created at the Project (totals refer to the total number of jobs at the Project including jobs retained and jobs created) in the following calendar years:

Total	Annual Salary Range (\$K)	CY09	CY10	CY11	CY12	CY13
Engineering	55.3 - 88.8	40	40	42	44	46
Eng Techs	27.2 - 53.1	58	58	62	65	67
MFG	19.2 - 33.8	148	148	160	171	183
Mgmt/Admin	54.2 - 102.0	35	35	35	35	38
Facilities	38.2 - 69.7	34	34	34	34	35
Doc Control	26.4 - 45.6	2	2	2	2	2
Materials	27.0 - 36.7	13	13	13	14	14
TOTAL		330	330	348	365	385
Total	Annual Salary Range (\$K)	CY14	CY15	CY16	CY17	CY18
Engineering	55.3 - 88.8	48	48	51	53	53
Eng Techs	27.2 - 53.1	70	72	73	74	77
MFG	19.2 - 33.8	193	213	231	249	274
Mgmt/Admin	54.2 - 102.0	41	41	41	42	42
Facilities	38.2 - 69.7	36	36	36	36	36
Doc Control	26.4 - 45.6	2	3	3	3	3
Materials	27.0 - 36.7	15	15	15	15	15
TOTAL		405	428	450	472	500

The preceding table shows the minimum number of jobs which MCHP expects it will create at the Project. If economic conditions support investments in the Project at the level shown in Section II.A, it is expected that jobs at the Project will exceed the minimum number of jobs shown in the preceding table. MCHP will report all jobs at the Project in accordance with Section V.

b. Timing.

MCHP shall create the total number of jobs at the Project set out in the preceding chart in each of the years shown in that chart. Each year's minimum number of jobs, as set out in the "Total" row of the chart shown above, shall be created by December 31 of the relevant year. A new job is "created" when someone is hired as a regular full-time employee. The number of employees may be deferred or reduced temporarily due to

delays in commissioning equipment, inability of MCHP to recruit qualified employees, or economic circumstances, either in general or specific to MCHP, leading to a requirement for a deferral in recruitment or a reduction in employment. If such a deferral or reduction is necessary, MCHP shall notify the County in writing, specifying the reason for the deferral or reduction, the amount of the deferral or reduction, and the expected duration of the circumstances giving rise to the deferral or reduction. If the County believes that MCHP has deferred or reduced maintaining and creating jobs in violation of this Agreement, the County may commence dispute resolution proceedings under Section VII.A of this Agreement.

c. Additional Employment.

Total Project employees may be greater than those indicated in Section IV.2.a. While MCHP cannot commit to increases, the commitment to the Exclusive Full-Service First Source Hiring Agreement attached as Exhibit 2 of this Agreement shall apply throughout the term of this Agreement.

3. Temporary Employees.

MCHP anticipates it will use temporary employees in production tasks only to meet peak production loads and to cover temporary and extended leaves of absence. A Category One temporary employee, as defined in paragraph 5, below, shall not hold a position longer than six months unless the employee is filling a vacancy created by extended medical leave or a statutorily protected leave.

4. Retention of Employees.

MCHP intends to hire and retain employees for many years, and to provide its employees with multiple opportunities to move progressively through the MCHP corporate organization with increasing responsibility. To carry out these intentions, MCHP shall maintain during the term of this Agreement a transfer policy and an internal posting policy which are substantially similar to the transfer policy and internal posting policy which are attached as Exhibit 3 to this Agreement.

It is the intent of the parties that employees hired in new jobs be retained either in the initial position or in progressively more responsible positions within MCHP. Beginning with the end of fiscal year 2003-04, MCHP shall demonstrate that at least 70% of all of its regular full time employees at the Gresham facilities except those described in the next sentence are retained for at least two years. The following employees will not be counted: 1) those terminated for cause; and (2) those that voluntarily terminate employment other than for reasons of inadequacy of child care, transportation or housing.

5. Advancement of Category One Employees.

MCHP will source as many Category One Employees as practicable for hire into entry-level production operator jobs. MCHP currently provides a weeklong training class for all production operators. In addition, MCHP continually offers in-house training and certification levels to improve performance and employee output. MCHP shall maintain these programs or substantially similar programs during the term of this Agreement. "Category One Employee" means a person holding a job which requires less than a two year college degree or certificate and which is not highly technical in nature.

In addition, MCHP shall:

- a. Offer supervisors of Category One Employees substantial training in dealing with employee issues, including workplace diversity.
- b. Maintain its current, multi-step disciplinary process, or a substantially similar process, in place to ensure all employees are given multiple opportunities to improve their performance as well as to receive guidance on any particular employee issues. MCHP's current Employee Performance Improvement Plan, which details MCHP's multi-step process for employee discipline, is attached as Exhibit 5 to this Agreement.
- c. Maintain its current policy of referring employees to multiple avenues for guidance, including but not limited to access to an employee assistance program which provides counseling. MCHP's current open door policy, which refers employees to several avenues for guidance, is attached as Exhibit 4 to this Agreement.

6. Promotional Practices.

Microchip's practice is to promote approximately 10% of the indirect labor force once per year to the next grade level responsibility. Approximately 40% of the Gresham facilities will be direct labor employees. Once Microchip places an entry level or category one direct labor employee into grade 90, the following chart illustrates their path.

90---92 -First year promotion
92---94 -Second year promotion
94---96 -Third year promotion

Once a Category One employee has reached grade 96 they have had a promotion every year for three years and they have reached the highest grade available. To continue advancement an employee must take on additional responsibilities such as supervision or follow a technical path toward engineering.

Microchip provides tuition reimbursement as described in Exhibit 5 up to \$10,000 a year for education. Microchip commits to continue with this level of promotions per year to the extent economic conditions permit, for all employees whose job performance justifies promotion.

“Direct labor” refers to anyone who touches the product or works on the wafer process. Direct labor positions are classified as “production specialists” whose costs are included in MCHP’s cost per wafer analysis. “Indirect labor” refers to any labor positions except “direct labor.”

7. Wages.

MCHP represents that its current wage structure, including base pay, bonus and stock option grants, are competitive with current industry standards. MCHP will continue to maintain competitive wages, and to compare its wages to the Radford Benchmark Survey annually, or its equivalent. A chart showing wages, benefits, shift differential, and overtime is attached as Exhibit 6. MCHP commits to reviewing the Radford Benchmark and making any changes to salary ranges that apply, provided that economic conditions allow for such increases in salary ranges.

8. Employer Paid Benefits.

a. In General.

MCHP intends to fulfill its role as an exemplary corporate citizen by providing an attractive and competitive benefits package which enables MCHP to recruit and retain qualified employees. MCHP acknowledges that provision of excellent, competitive benefits is vital, not only to achieving MCHP’s corporate objectives, but also to achieve the County’s goals.

b. Specific Benefits.

MCHP currently provides all existing US employees at other locations with the benefits described in Exhibit 7 attached to this Agreement.

During the period of property tax exemption, MCHP may have to modify its benefits package in order to maintain costs in response to industry or economic conditions or to remain competitive. The cost to MCHP’s employees is the same for all employees regardless of job title or income level. Employees may choose to insure only themselves, employee plus spouse or employee plus family. Also included in the attached as Exhibit 7 is a cost analysis for benefit cost for the benefit plan year of May 1, 2009 through April 30, 2010.

MCHP shall report the benefits it provides for employees at the Project, and, prior to making any substantial reductions in MCHP’s aggregate benefits package, MCHP shall provide reasonable notice to the County.

During the period of the partial property tax exemption, MCHP shall provide health insurance at least comparable to that provided under the Oregon Health Plan (OHP).

9. Child Care.

MCHP will work in good faith to attempt partnership relationships with local childcare facilities to provide discounts for MCHP employees. MCHP will provide a link to Oregon childcare commission website (<http://findit.emp.state.or.us/occc/>) on its internal website to facilitate employee access to childcare information.

B. Transportation.

County Goal:

To encourage employees to use transit, carpools, vanpools, or alternative modes of transportation.

MCHP acknowledges this County goal and agrees to take the following actions in support of this goal:

MCHP shall encourage use of alternative modes of transportation by maintaining its current Trip Reduction Program, or a substantially similar program. MCHP's current Trip Reduction Program is described in Exhibit 8 attached to this Agreement.

C. Infrastructure and Public Services.

County goal:

To eliminate adverse impacts on the level of service provided to existing residents of Multnomah County and the region.

MCHP acknowledges this County goal and agrees to take the following actions in support of that goal:

MCHP shall comply with all material provisions generally applicable under City, County and State of Oregon development requirements to mitigate adverse impacts on the level of services to existing residents of the County and City that involve transportation and utility infrastructure and public safety.

D. Environmental Protection.

County Goal:

To approve tax abatements only for firms that demonstrate a commitment to environmental protection.

MCHP acknowledges this County goal and agrees to take the following actions in support of that goal:

To demonstrate its commitment to environmental protection:

1. MCHP has identified baseline conditions associated with full production in each of the following categories: (1) toxic and hazardous materials; (2) water conservation, reuse and waste water discharge; (3) air quality; (4) waste reduction and recycling; and (5) energy conservation. Additionally, MCHP has created an evaluation matrix to measure its progress toward the County's goal and shall continue to strive to make progress toward that goal as demonstrated in its annual report to the County.
2. MCHP has successfully applied for and participated in DEQ's Green Permits program that constitutes achievement of the County goal.
3. If any person is determined by the appropriate environmental authority to have violated an applicable environmental law, MCHP shall cure or cause to be cured the damage in accordance with and as required by applicable laws to the reasonable satisfaction of the reviewing environmental authority.

E. Job Training.

County Goals:

To build a world-class workforce that provides the full range of skills necessary to attract and sustain competitive, high performance companies.

To graduate all children from high school with skills enabling them to succeed in the workforce and/or in post-secondary education, including the fundamental ability to read, write, communicate and reason.

To establish stronger educational programs beyond the secondary level to meet the region's needs for accessible education, expanded graduate programs, high-quality research, technology transfer and economic development.

To provide educational opportunities to enhance upward mobility for both technical and management roles.

MCHP acknowledges these County goals and agrees to take the following actions in support of those goals:

1. MCHP shall work in good faith with the education community to support curriculum and career path options for obtaining jobs in the semiconductor field. This good-faith effort includes but is not limited to:
 - (a) Assisting in the successful realization of the Center for Advanced Learning by serving on the C.A.L industry advisory committee; providing assistance and expertise with curriculum development, instructional assistance, development of internships and mentoring opportunities; consideration of financial and equipment donations to the C.A.L.

- (b) Working with MHCC and local high schools (Gresham, Sam Barlow, Reynolds, Centennial, Parkrose, David Douglas, and Marshall) to explore partnership opportunities including but not limited to: internships and mentoring programs, curriculum development, instructional assistance, scholarships, financial and equipment donations.
 - (c) Designating a representative to serve on the Board of Directors of the Mt. Hood Community College Foundation, when a position becomes available.
2. MCHP's tuition reimbursement policy, which is attached as Exhibit 5, provides up to \$10,000 per year reimbursement for classes and books to anyone who enrolls in classes at a certified university for job related classes or degree.
 3. MCHP currently provides funds in departmental budgets to cover external training needs for employees to improve their skills.
 4. MCHP currently maintains an extensive in house training department with an excellent portfolio of classes, see attached recent recognition from Training Magazine. MCHP offers 15 training classes at the Project.
 5. MCHP shall continue to provide these educational programs, or substantially similar educations benefits for its employees.
 6. MCHP agrees to evaluate the Fujitsu proprietary degree and other equivalent training, in good faith and allow its employees appropriate credit for having obtained that degree.

F. Procure Locally Produced or Sold Goods and Services.

County Goal:

To encourage the purchase of goods and services produced or sold by businesses in Multnomah County and the region.

MCHP acknowledges this County goal and agrees to take the following actions in support of this goal:

1. MCHP acknowledges this County goal and agrees to make best effort to purchase from local suppliers subject to MCHP's ability to find local suppliers whose products meet MCHP's specifications and quality standards, and whose products cost the same or lower than non-local goods and services.
2. MCHP will make good faith and reasonable efforts to procure for construction, installation and equipment maintenance services in a manner which recognizes and rewards responsible contractors based on the following factors: necessary technical qualifications (including licensure), past performance record (including safety, cost effectiveness, business location (per the local procurement goals of this Agreement) and other factors consistent with MCHP's stated mission, values, and record of operations.

V. MCHP Reporting Requirements.

A. MCHP to Report Contract Compliance to County.

1. MCHP shall prepare and submit to County SIP Manager the quarterly and annual reports described in paragraphs 5 and 6 below. The annual report shall include the quarterly report information on the jobs information for the quarter ending June 30. No separate quarterly report is required for the quarter ending June 30.
2. MCHP, County and the City will work together to determine the form of report necessary to track benefits of the "targeted population," as that term is defined in the First Source Agreement. To the extent possible, data compilations generated and used by MCHP in the ordinary conduct of its operations will be used for the report to the County.

3. The reports are to be sent to the following address:

SIP Manager
Multnomah County Chair's Office
501 SE Hawthorne Blvd. 6th floor
Portland, OR 97293-0700

4. Confidentiality of Reports.

MCHP proprietary information contained in the reports and documents submitted by MCHP to the County in support of the report is, and shall be, submitted in complete confidence. County shall treat MCHP's proprietary information in a confidential manner. The parties agree that any such proprietary information is exempt from public disclosure under, and the County agrees to assert in connection with any public records request that, such information is exempt from disclosure under the Public Records Law, ORS 192.502(4). This Agreement is MCHP's written request for confidentiality and is the County's assurance that it will treat MCHP's documents as confidential. The County acknowledges that MCHP documents that contain proprietary information may give competitors an undue advantage, and, therefore, that such documents are also entitled to nondisclosure protection under ORS 192.501(2). Additionally, employee survey information of a private nature is exempt from disclosure under ORS 192.502(2) and 192.501(5).

MCHP understands and agrees that the County may, subject to the foregoing confidentiality obligations imposed upon the County, send portions of the reports to other Oregon governmental entities for review to ensure compliance with this Agreement. For example, the portion of the report on compliance with the County's environmental goals may be sent to DEQ for review. The confidentiality of the MCHP documents shall extend to such documents in the hands of all other governmental agencies and the County shall advise the other governmental agencies of the confidentiality obligation when submitting MCHP documents to such other governmental entities. ORS 192.502(9) contemplates

continued confidentiality for documents transferred by a public body to another public body.

Notwithstanding any other provision of this Agreement, MCHP shall not be required to report information to the County in a manner which violates the privacy rights of MCHP's employees. If the County discloses any information provided by MCHP to the County pursuant to this Agreement in any manner which violates the rights of any person or entity, the County shall indemnify and hold MCHP and its agents, directors, officers or employees harmless from and against any claim made against MCHP or its agents, directors, officers or employees based on the disclosure of that information by the County, including costs of attorneys' fees at trial and on appeal.

5. Quarterly Reports on Job Creation, Compensation and Retention.

Beginning with County fiscal year 2003-2004, MCHP shall prepare and deliver within 45 days of the close of each fiscal quarter (September 30, December 31, March 31 and June 30), a report containing the following information:

- a. Hiring activity for the prior quarter for the Project, including day of hire, title, level, starting compensation and category of position (using the categories shown in the chart in Section IV.2.a).
- b. Turnover rate for all employees at the Project, calculated in accordance with Section IV.4.

6. Annual Reports.

MCHP shall prepare and deliver by November 15 of the tax year following the tax abatement year, a report which addresses each of the reporting requirements listed below:

- a. Wages.

MCHP shall provide a report of its total payroll and total number of employees, and shall calculate and report the average payroll for employees at the Project.

- b. Benefits.

MCHP shall provide a statement of the benefits it provided during the tax abatement year to its employees, any changes in the benefits from the prior year.

- c. Hiring Outside of FSA.

MCHP shall provide a statement of the covered employee hires which were not referred to MCHP by the County pursuant to the FSA during the tax abatement year. It shall include the date of hire, job classification,

wage scale and residency (state, county, city) at, or just prior to, time of hire. A report form shall be created by County and/or City with MCHP.

d. Transportation.

MCHP shall provide a statement of its actions under Section IV.B for the tax abatement year.

e. Job Training.

MCHP shall provide a statement of its actions under Section IV.E for the tax abatement year period.

f. Local Procurement.

MCHP shall report annually:

- (1) The amount of MCHP expenditures in Oregon.
- (2) The amount of MCHP expenditures in Multnomah County.
- (3) The percent change in expenditures over prior year.

g. Environmental Management Plan and Cleanup.

- (1) MCHP shall report annually on its compliance with the County's environmental protection goals set out in Section IV.D.
- (2) MCHP shall report on any notices of violation of environmental laws at the Project which MCHP receives from an environmental authority having jurisdiction over the Project that were given in the prior County fiscal year (beginning commencing in County fiscal year 2004-05 for any notices of violation received in County fiscal year 2003-04) and, if there were any, whether the appropriate environmental agency approved the remedial measures.

7. County Report on MCHP Compliance.

The County shall also prepare an annual report to the public describing MCHP's compliance with the terms of this Agreement.

B. Cooperation With Oregon Department of Revenue.

MCHP and the County shall cooperate with the Oregon Department of Revenue to identify the property that receives the property tax exemption as described in this Agreement.

VI. OBLIGATIONS OF COUNTY AND CITY.

A. Findings.

In consideration of the actions of MCHP as described in this Amended Agreement, the County and the City find that:

1. Granting an SIP exemption for the Project will foster the economic growth and legislative policy as set forth in ORS 285.603.
2. The Project will be consistent with all applicable laws and regulations.
3. The operation of the Project in the County and the City would be in the best interest of the citizens of Multnomah County and the City of Gresham.

B. The County and City Agree as follows:

1. Approval of Provisions Related to Property Tax Exemption.

The County and the City approve the provisions of this Amended Agreement related to the SIP partial tax exemption by execution of this Amended Agreement.

2. Property Tax Exemption.

On August 23, 2002, the Project was approved, by Resolution, as an "eligible project" by the Finance Committee for the Oregon Economic and Community Development Commission. This approval remains operative as to this Amended Agreement without further action by OECD. The Project shall continue to be subject to assessment and taxation as provided in ORS 307.123 through June 30, 2018. (See Exhibit # 1)

VII. BREACH; DEFAULT; REMEDIES OF THE COUNTY.

A. Dispute Resolution Procedure.

1. Multnomah County's designated SIP Manager shall have the duty to monitor compliance by MCHP with the terms of this Agreement.
2. If either County or the City has substantial evidence to believe that MCHP has failed materially to comply with any term of this Agreement and that such failure is not excused, County and the City shall confer, and shall involve persons in their organizations whose job responsibilities relate to the noncompliance. County shall show the evidence of noncompliance to these representatives. If, after they examine the evidence, County continues to believe that MCHP has failed materially to comply with one or more terms of this Agreement and the failure is not excused, County shall notify MCHP of this belief and the basis therefor. In any event, MCHP shall not be deemed to have failed to comply with this Agreement if the failure is caused by a *force majeure*, as provided under Section VII.B, below, or if the alleged failure is a variance from numerically ascertainable terms which is described in Section VII.E.

3. Notice required by Section VII.A.2 shall be in writing and shall be sent to MCHP at the following addresses, both of which shall be required for notice to be effective:

Microchip Technology Incorporated
2355 West Chandler Blvd.
Chandler, Arizona 85224-6199

Attention: Steve Sanghi, President and CEO
With a copy to: Jeff Thomas, Director, Site Services
With a Copy to: Legal Department

If MCHP wishes to change the address(es) to which notice hereunder shall be given, it may do so by providing written notice to the County at the address indicated in Section V.A.3.

4. Upon receipt of the notice described in Section VII.A.2, MCHP shall have 45 days to respond in writing. MCHP's written response shall be delivered to County at the address shown in Section V.A.3. MCHP's response shall include such supporting documentation as is related to the issues raised by the notice described in Section VII.A.2 and that is within MCHP's control to provide for the sole purpose of allowing the County to substantiate MCHP's response. The County shall have 45 days in which to review and consider MCHP's response and to notify MCHP in writing if the County believes MCHP is not in compliance, and to state the basis for the County's belief. If the County does not give MCHP such written notice within 45 days, the matter shall be deemed closed.
5. If the County notifies MCHP pursuant to Section VI.A.4 that the County continues to believe that a failure of performance by MCHP has occurred, the parties will meet as soon as possible and confer with the objective that the issues upon which there is dispute are clearly defined and understood and that any misunderstanding of the essential factors of the dispute may be resolved. The County may retain an outside consultant, or the County Auditor may be used to verify MCHP's compliance. In the course of this process, if physical access to the Project premises is required, MCHP will allow the County or its designated consultant or Auditor such access at reasonable times and under conditions that will comply with MCHP's customary rules and procedures pertaining to safety, property security, confidentiality, engineering, and intellectual property protection and so as to not interfere with MCHP's operations of the Project. The parties shall also exercise their respective best efforts to resolve all disputed issues, in a manner and result that is consistent with the provisions of this Agreement. A resolution so reached shall be documented in a written Compliance Agreement to the parties' mutual satisfaction.

6. If, following such efforts by the parties to amicably resolve their differences, a mutually satisfactory outcome is not achieved, the procedures in the order set forth below shall be followed:
 - a. Subject to subsection b, below, senior management of both parties shall first mutually negotiate in good faith to resolve any dispute that arises between them. If such negotiations are unsuccessful the parties agree that, before any litigation can be initiated, except as provided in b, below, the dispute shall be submitted to non-binding mediation in front of a mediator who is an attorney who is both knowledgeable in the laws which govern this agreement and who has substantial experience in the semiconductor or electronics manufacturing industries, or a mutually acceptable person of comparable expertise and competence. Such mediation shall take place within 90 days' of a party's receipt of a request therefore, in a neutral location mutually acceptable to both parties. Each party shall be responsible for paying its own costs and expenses (including legal fees, if necessary) for the mediation. In the event that the mediation is unsuccessful, either party may initiate litigation to address the dispute.
 - b. Notwithstanding the foregoing, any dispute in which specific performance or injunctive relief is sought need not be submitted to mediation, but may instead be immediately brought by the aggrieved party to an appropriate court.
 - c. The prevailing party in any litigation proceeding arising out of or related to this Agreement shall be entitled, in addition to any other rights and remedies it may have, to reimbursement for its expenses incurred in such action, including court costs and reasonable attorneys' fees and other legal fees and costs.
7. Breach.
 - d. A "Breach" shall be deemed to have occurred if:
 - (1) before or after mediation, MCHP acknowledges that it has failed to comply with its obligations under this Agreement (unless the parties have agreed that the failure to comply is not a Breach); or
 - (2) a court of competent jurisdiction in a final nonappealable judgment determines that MCHP has failed to comply with its obligations under this Agreement.
 - e. MCHP shall not be deemed to have failed to comply with this Agreement if the failure is caused by a *force majeure*, as provided under Section VII.B, or if the alleged failure is a variance from numerically ascertainable terms which is described in Section VII.E
 - f. Where this Agreement imposes an obligation on MCHP to act "in good faith," no Breach shall be deemed to occur unless the parties agree or a

court determines in a final nonappealable judgment that MCHP failed to take any reasonable action to comply with that obligation, or that MCHP acted in bad faith.

B. *Force Majeure.*

If by reason of *force majeure*, MCHP is unable in whole or in part to carry out any of its obligations in this Agreement, other than obligations for the payment of money, a Breach shall not be deemed to occur during the continuance of such inability. The term "*force majeure*" as used herein shall mean, without limitation, any of the following: acts of God; strikes, lockouts or other industrial disturbances; acts of the public enemy; orders or restraints of any kind of the government of the United States of America or of the state wherein the County is located or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; volcanic eruption; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any similar or different cause or event not reasonably within the control of the MCHP. *Force Majeure* also includes any significant reduction in market demand for the products that are produced at the Project which makes it economically infeasible for MCHP to operate the Project in compliance with this Agreement. To excuse performance of any obligation of MCHP due to a *force majeure*, MCHP must notify the County as soon as reasonably possible after the *force majeure* has occurred and MCHP has had an opportunity to determine the effect of the *force majeure* upon MCHP's business and its obligations hereunder. The notice shall state the nature of the occurrence, the anticipated effect of the occurrence on MCHP's obligations, and when MCHP will be able to resume compliance with this Agreement. If the County, following consultation with the City, does not agree that MCHP shall be excused from performance in the manner stated in MCHP's notice, the County shall notify MCHP within 90 days and the parties shall commence dispute resolution procedures pursuant to Section VII.A.

C. *Failure to Comply with Numerically Ascertainable Terms.*

It is the intent of the parties that good faith efforts will be made to comply with all the terms of this Agreement. However, in such a large Project, it is difficult to anticipate all contingencies with accuracy. In a spirit of fairness and recognizing the cyclical vagaries of business, the County and City agree that variance from numerically ascertainable terms of this Agreement by a plus or minus 5% will not constitute a failure of MCHP to comply with this Agreement. However, the variance is not cumulative.

D. *Sanctions.*

The following sanctions shall apply if a Breach occurs:

1. Failure to Pay.

If the Breach relates to a failure of MCHP to pay the CSF or any other fee MCHP is required to pay to the County under this Agreement, the County shall be entitled to the amount of the delinquency, plus the following penalties (subject to the following paragraph): (1) if the payment is made more than ten (10) business

days after the payment is due and written demand has been made to MCHP for payment, the County shall be entitled to receive a penalty of ten percent (10%) of the delinquent amount; and, (2) if the payment is made more than 45 business days after the payment is due and written demand has been made to MCHP for payment, the County shall be entitled to receive a penalty of one hundred percent (100%) of the delinquent amount.

If MCHP reasonably disputes the amount or timing of any payment which is alleged by the County to be due to the County under this Agreement, MCHP may tender the amount which is alleged to be due and thereby prevent any penalties from accruing, and may continue its dispute. Payment by MCHP shall not constitute a waiver by MCHP of any matter in dispute. If the dispute is resolved in favor of MCHP, the County shall refund the amount of overpayment to MCHP, with interest, within 30 days after the dispute is resolved.

2. Failure to Create and Retain Jobs.

If the Breach relates to a failure of MCHP to meet the job creation or job retention requirements of Section IV.2.a of this Agreement, MCHP shall pay an amount equal to twice the average gross annual salary plus benefits for operators and technicians in the year of the breach for every job not created or job not retained.

3. Failure to Use FSA.

If the Breach relates to a failure of MCHP to notify the County in accordance with the FSA of MCHP hiring needs for covered positions, or to hire qualified applicants for covered positions in accordance with the FSA, MCHP shall pay to the County an amount equal to twice the average gross annual salary plus benefits for operators and technicians in the year of the breach for every person who would have been hired though the FSA, but was not so hired because of MCHP's failure.

If MCHP fails to act in good faith to meet its obligations under the FSA, and the failure results in effective abandonment of the FSA by MCHP, MCHP shall pay 75 percent of the Property Tax Abatement for each year the abandonment continues. It shall not constitute an abandonment if MCHP's failure is due to nonperformance by the County of its obligations under the FSA.

4. Failure to Meet Reporting Requirements.

If MCHP fails to meet reporting requirements of Section V of this Agreement, MCHP shall pay twice the amount necessary to have an auditor investigate and prepare the report, or any portion thereof which has been omitted.

5. Environmental Crimes.

If MCHP is found to be responsible by a competent court in a final nonappealable judgment for conduct at the Project which constitutes felony criminal conduct under federal, state or local environmental law, MCHP shall pay seventy five

percent of the tax abatement for the tax year in which the conduct is found to have occurred.

6. Failure to meet Other Requirements.

In the event a sanction for a Breach is not specified in the preceding paragraphs of this Section VII.D, MCHP shall pay to the County an amount equal to any benefit MCHP realized from the Breach, plus a 100% penalty (i.e. the total payment due is two times what MCHP should have spent to comply with the agreement).

E. *Limitations.*

1. No Breach shall be deemed to occur and no sanction shall be imposed in connection with any action taken by MCHP during any tax year in which MCHP has paid ad valorem property taxes on the full market value of the Project.
2. No sanction or combination of sanctions shall exceed 75% of the total tax abatement for any single tax year. A tax year begins on July 1 and ends on the following June 30.

F. *Allocation of Funds Paid by MCHP for Failure to Comply with Agreement.*

Any funds collected under Sections VII.D above, shall be paid to the County Finance Manager and held in a segregated fund. The funds shall be distributed by the Board of County Commissioners to a program or project in the area of public policy most directly related to the failure to comply.

VIII. REMEDIES OF MCHP.

If the City or County breaches this Agreement, MCHP shall be entitled to exercise any of its legal or equitable remedies, either through the dispute resolution process set forth in Section VI A or through administrative or judicial processes.

IX. TERM OF AGREEMENT.

This Agreement shall take effect on the date the Oregon Economic and Community Development Commission formally determines that the Project is an "eligible project" which will receive the partial property tax exemption described in ORS 307.123 and a deed is recorded conveying the existing FMI facilities to MCHP, and shall remain in effect until terminated as provided in this Section IX.

This Agreement shall terminate on June 30, 2018. However, termination of this Agreement shall not affect the obligation of any party to pay amounts which were due under this Agreement for the period prior to its date of termination.

X. MISCELLANEOUS TERMS.

A. *Discrimination.*

No persons shall be denied or subject to discrimination in receipt of the benefits of any services or activities made possible by or resulting from the Agreement on the grounds of sex, sexual orientation, gender identity, race, color, creed, marital status, age, national origin, mental health or physical handicap, disabled or Vietnam era veteran status (except where there are bona fide occupational qualifications). Any violation of this provision shall be considered a material violation of the Agreement.

B. *Public Contracts.*

All applicable requirements of the Oregon Revised Statutes Nos. 279.120 through 279.333 are incorporated herein by reference. This provision is intended to incorporate only those provisions which are required for all public contracts. The parties acknowledge that: other portions of ORS Chapter 279 do not apply; this Agreement is not one for a public improvement or public work; and the wages and other compensation paid by MCHP to its employees is not subject to ORS 279.348 through 279.365.

C. *Governing Law.*

This Agreement shall be governed by the law of the State of Oregon. Any actions or suits commenced in connection with this Agreement shall be in Circuit Court of Multnomah County or Federal District Court for Oregon.

D. *Complete Agreement.*

This Agreement and its attached exhibits are the complete and exclusive statement of the Agreement between the parties relevant to the purpose described above and supersedes all prior agreements or proposals, oral or written, and all other communication between the parties relating to the subject matter of this Agreement. No modifications of the Agreement will be binding on any party except as a written addendum signed by authorized agents of each party. MCHP's policies, some of which are exhibits to this Agreement, may be changed by MCHP at any time without consent of, or notice to, the County or the City, and changes to those policies shall not be deemed an amendment of this Agreement.

All rights and remedies of each party shall be cumulative and may be exercised successively or concurrently. The foregoing is without limitation to or waiver of any other rights or remedies of either party according to law.

E. *CSF Payments Not Property Taxes.*

The parties acknowledge that any payments required under this Agreement do not constitute property taxes and are not subject to the limits under Section 11b, Article XI of the Oregon Constitution.

F. *Compliance Relevant to Future Approvals.*

MCHP acknowledges that its compliance with this Agreement will be an important consideration for local government approval of any future applications MCHP may make seeking property tax exemptions for other Projects.

G. *Lease or Sublease of the Premises.*

While it is not contemplated that MCHP will lease or sublease the premises, if that were to occur, the property tax exemption may transfer under the provisions of ORS 285B.383(4) and ORS 307.123.

H. *Successors and Assigns.*

This Agreement shall inure to the benefit of and bind the successors and assigns of the parties.

I. *Good Faith Contests Permitted.*

Nothing in this Agreement shall be construed as: (1) preventing MCHP from contesting in good faith any tax, assessment or other fee imposed by the County or any other governmental entity; or (2) granting rights to any employee of MCHP. The obligations of MCHP in this Agreement are for the benefit of the County and the City, and for the general benefit of their citizens; no individual or entity not a party to this Agreement shall be treated as a third party beneficiary of this Agreement.

J. *Validity of County Obligations.*

The County represents that this Agreement and its attached exhibits are valid and binding obligations of the County, and the County agrees to be bound by their terms. The County agrees that its obligation to indemnify and hold MCHP harmless is a contractual obligation of the County.

K. *Counterparts.*

This Agreement may be signed in counterparts; when each party has signed a counterpart all parties shall be bound by this Agreement.

DATED this ____ day of May 2009.

MULTNOMAH COUNTY

MICROCHIP TECHNOLOGY
INCORPORATED (MCHP)

Chairperson,
Board of Commissioners

Authorized Officer

Date: May __, 2009

Date: May __, 2009

REVIEWED:

Assistant County Counsel

Date: May __, 2009

CITY OF GRESHAM

Mayor

City Manager

Date: May __, 2009

Date: May __, 2009

REVIEWED:

City Attorney

Date: May ____, 2009

**STATE OF OREGON
FINANCE COMMITTEE FOR THE OREGON ECONOMIC AND COMMUNITY
DEVELOPMENT COMMISSION**

**RESOLUTION OF ELIGIBILITY
STRATEGIC INVESTMENT PROGRAM**

MICROCHIP TECHNOLOGY INCORPORATED

WHEREAS, the Oregon Economic and Community Development Commission is charged with the responsibility of reviewing the eligibility of proposed projects under the Strategic Investment Program (SIP), ORS 285B.380 to 285B.392, and has delegated this authority to the Finance Committee ("Finance Committee") for the Economic and Community Development Commission pursuant to ORS 285A.050 and OAR 123-023-0350.

WHEREAS, Microchip Technology Incorporated filed an application with the Oregon Economic and Community Development Department for a Strategic Investment Program project in Multnomah County for development of a high technology manufacturing project located in the City of Gresham in Multnomah County.

WHEREAS, the Finance Committee has reviewed the proposed project for the construction and equipping of a manufacturing facility to be owned and operated by Microchip Technology Incorporated pursuant to the standards contained in ORS 285B.380 to 285B.392 and Administrative Rule No. 123-023. Therefore,

**THE FINANCE COMMITTEE FOR THE OREGON ECONOMIC AND COMMUNITY
DEVELOPMENT COMMISSION FINDS:**

1. The project proposed by Microchip Technology Incorporated is an economic development project as defined in ORS 285B.323.
2. The project will directly benefit a traded sector industry, as defined in ORS 285B.280 (3).
3. The total cost of the project exceeds \$100 million.
4. The project is not expressly ineligible under ORS 285B.323(1).
5. The project is not an existing project as defined in OAR 123-023-0301(8).
6. The proposed project is not a precertified project for an enterprise zone under ORS 285B.692 to 285B.728.
7. Multnomah County and the City of Gresham, in which the project is located, have approved the special provisions related to the property tax exemption.

8. The undertaking of the project was requested by official action of the county and the City of Gresham.
9. The county and the city held a public hearing as required by ORS 285.386(4).
10. Microchip Technology Incorporated and Multnomah County have entered into the written agreement described in OAR 123-023-0401(3)(d)(the "SIP contract").
11. The City of Gresham and Multnomah County have entered into an agreement governing the distribution of the community service fee, as provided in OAR 123-023-0401(3)(e).
12. The applicant and Multnomah County, a publicly funded job training provider, have entered into a first source hiring agreement described in OAR 123-023-0401(3)(f) and ORS 285B.383(3).
13. The Finance Committee has not imposed any additional requirements on Microchip Technology Incorporated related to the Oregon Strategic Investment Program.
14. Notice that the Finance Committee would consider this project for eligibility under the Strategic Investment Program and inviting public comment was published in *The Oregonian*.

THE FINANCE COMMITTEE FOR THE OREGON ECONOMIC AND COMMUNITY DEVELOPMENT COMMISSION RESOLVES THAT:

1. The project that is described in the application of Microchip Technology Incorporated to the Oregon Economic and Community Development Department (the "Project"), that is proposed to be owned and operated by Microchip Technology Incorporated in Multnomah County, Oregon, which is defined below in Section 2 of this resolution, is hereby found and determined to be an eligible project in accordance with ORS 285B.380 to 285B.392 and the rules adopted by the Commission that is eligible for the tax exemption described in ORS 307.123.
2. The Project that is approved by this resolution is defined to be all property which Microchip Technology Incorporated acquires from Fujitsu Microelectronics Inc. and all subsequent improvements and additions at that property, as detailed in Section 3 of this resolution.
3. Pursuant to ORS 285.383(5) and OAR 123-023-0451(7), the Finance Committee hereby establishes that the invested cost of all real and personal property that is included in the Project is equal to the sum of the invested cost of all land, buildings, structures, machinery and equipment, fixtures, and furnishings which Microchip Technology Incorporated acquires

Ex. 1-2

from Fujitsu Microelectronics Inc., and the invested cost of all land, buildings, structures, machinery and equipment, fixtures, furnishings or other property that may subsequently be located at or constructed on the land acquired from Fujitsu Microelectronics Inc. during the period of the tax exemption, including the invested cost of all new buildings, structures, machinery, equipment, fixtures and other property, and all repairs, replacements, modernizations, renovations, and remodeling of buildings, structures, machinery and equipment, fixtures, and furnishings, subject only to the limitation in Section 5 of this resolution.

4. Based on the estimates of Microchip Technology Incorporated in its contract with Multnomah County and pursuant to OAR 123-02300451(4)(b), the Finance Committee estimates that, in fiscal year 2003-04 (the first year of the property tax exemption), Microchip will invest \$201,850,000 in the Project, and that subsequent investments will be made approximately, but no more rapidly than, the schedule shown in Section II.A of the SIP contract between Microchip Technology Incorporated and Multnomah County (a copy of which is filed with the Department).
5. Pursuant to OAR 123-023-0451(4)(c), the Finance Committee hereby establishes that the maximum value of the Project that may qualify for the tax exemption described in ORS 307.123 in each year is a total assessed value of \$490 million.
6. This resolution may be executed on behalf of the Finance Committee for the Oregon Economic and Community Development Commission by its Chair or Vice Chair.

Adopted by official action of the Finance Committee for the Oregon Economic and Community Development Commission for the State of Oregon this 23rd day of August, 2002.

FINANCE COMMITTEE FOR THE
OREGON ECONOMIC AND COMMUNITY DEVELOPMENT COMMISSION


William Humphreys
Chair

Ex. 1-3

FIRST-SOURCE HIRING AGREEMENT

Microchip Technology Incorporated

I. Parties

This First Source Agreement is between Multnomah County (County) and Microchip Technology Incorporated (MCHP). The City of Gresham (City) is a Third Party Beneficiary (TPB) of this FSA and is entitled to enforce its terms. By executing this agreement, City accepts TPB status.

II. Recitals

- A. The parties are entering into an Amended Strategic Investment Program Contract (SIP Contract) that extends the term of the August 15, 2002, contract providing a partial property tax exemption for its facility in Gresham, Oregon, from seven years to fifteen years.
- C. ORS 285C.606(5) specifically requires that a business firm with an approved SIP project enter into a First-Source Hiring Agreement (FSA) with a publicly funded job training provider that will remain in effect until the end of the tax exemption period.
- D. The County, City and MCHP have agreed to enter into this First-Source Hiring Agreement (FSA), which is a requirement of the SIP Contract and is an attachment to it.
- E. The County has consolidated SIP program management and FSA management within the County in order to achieve greater efficiencies in costs and operations associated with fulfillment of County SIP goals.
- F. Therefore, in meeting the statutory FSA requirement, and OAR 123-070-1100, County has designated itself as the lead contact agency for its SIP contracts. County, as lead agency, designates Worksystems, Inc. as the organization that will serve as the primary point of contact for fulfillment of MCHP hiring needs and monitoring compliance with the reporting requirements contained within this FSA.
- G. The County and MCHP commit to work together and in partnership with Worksystems, Inc. and other community organizations to identify, train, and refer potential employees to MCHP for employment.
- H. The County and MCHP commit to a strong and collaborative effort for recruitment, referral, and training in order to ensure that persons residing in the

region benefit from the employment, career, and educational opportunities facilitated by this agreement.

THEREFORE THE PARTIES AGREE TO THE FOLLOWING:

III. TERMS AND CONDITIONS

A. Definitions

1. "Applicant" means a person who applies for employment with MCHP, whether referred by County, another referral source or self-referred.
2. "Qualified Applicant" means a person who applies for employment with MCHP who meets the mandatory criteria set out in the job description as prepared by MCHP.
3. "The Project" means the real property (land), improvements, machinery and equipment and personal property that is the subject of an application for a Partial Property Tax Exemption in the SIP.

B. Recruitment Obligations of MCHP

1. As job openings become available, MCHP, in addition to any other methods of recruitment, will recruit employees through the County's designee, Worksystems, Inc;
2. MCHP will give Worksystems, Inc. as much notice as possible of all job openings and the required start dates for those positions to enable the greatest chance of success in providing a sufficient number of qualified applicants for the job openings. A notice of a job opening to Worksystems, Inc. will, at a minimum, include job descriptions with position qualifications, wages offered, shifts needed, projected employment start date and other relevant information necessary for recruitment as soon as MCHP becomes aware of the need for employees;
3. Job information provided by MCHP may be provided to all partners of the County and/or its designee, Worksystems, Inc. for recruitment and referral activities;
4. All job openings at MCHP shall be listed in the public labor exchange system of the Oregon Employment Department.

C. Screening, referral and hiring

1. MCHP will designate human resources staff to work with Worksystems, Inc. in the creation and modification of screening and assessment processes and tools

for job openings. MCHP will provide timely feedback as to the sufficiency in number and quality of FSA referred applicants.

2. Worksystems, Inc. shall process for referral any qualified applicant who applies for any job opening through the public labor exchange system when an opening exists at MCHP.
3. Worksystems, Inc. shall screen applicants for job openings according to MCHP job descriptions which set out the requirements for a qualified applicant.
4. Worksystems, Inc shall refer only qualified applicants to MCHP for a job opening.
5. MCHP agrees to consider qualified applicants referred by Worksystems, Inc. and to make a good faith effort to maximize recruitment and hiring of qualified local residents.
6. MCHP shall make all final decisions as to qualifications, interviewing, and hiring of FSA referred applicants.
7. The County and/or its designee, Worksystems, Inc. shall not be responsible for an applicant's actions during any portion of the referral, interview or employment process, or as an employee after being hired.
8. No provision in this FSA overrides MCHPs personnel rules or terms of employment as set by MCHP. No employee hired under this FSA shall have special or additional rights arising from the FSA.
9. No provision in this FSA overrides any provision in a collective bargaining agreement to which the MCHP may be a party.

D. Reporting requirements

1. MCHP shall report on an annual basis the number of employees hired through referrals by Worksystems, Inc., number of employees hired through other referrals, the positions filled, wages of those hired, and the zip codes of employee residences of those hired.
2. The County, Worksystems, Inc. and MCHP shall work together to create an electronic format for the reporting requirements set out above. All FSA reporting shall be conveyed electronically, unless otherwise mutually agreed by both parties.

E. Controlling laws and regulations

1. MCHP and the County shall comply with all federal, state, and local laws, regulations, and ordinances relative employment. If this FSA conflicts with any labor laws or other government regulations, the laws or regulations shall prevail.

2. MCHP and the County agree to comply with the applicable provisions of the Title VII of the Civil Rights Act of 1964, as amended, and section V of the Rehabilitation Act of 1973, as amended or with any successor statutes. No individual shall be excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in the administration or in connection with this agreement because of race, color, religion, sex, marital status, sexual orientation, national origin, age, disability, application for Workers Compensation benefits, political affiliation or belief, expunged juvenile record or association with any person of a particular race, color, sex, marital status, sexual orientation, age, or religion.

F. Assignments and modifications

1. If MCHP should transfer control of the Project as it is affected by this FSA to any other party by lease, sale, or assignment or otherwise, MCHP as a condition of transfer shall require the party taking control to agree, in writing, to the terms of the FSA.

2. This FSA may be unilaterally reassigned by the County from Worksystems, Inc. to another publicly funded entity for recruitment, referral and placement of job applicants in job openings for MCHP.

3. MCHP and the County may mutually modify this agreement, in writing, in order to improve the working relationship described herein.

G. Incorporation of the SIP Contract

The SIP Contract between MCHP, the County and the City are incorporated into this FSA by this reference. To the extent there are any conflicts between the SIP Contract and the FSA, the SIP Contract controls. To the extent that this FSA places additional obligations on MCHP, it is not inconsistent with the SIP Contract.

H. Dispute resolution

A material breach of this FSA by MCHP is a breach of the SIP Contract. The sanctions set forth therein are applicable. If the County or the City, as a TPB, reasonably believes that MCHP has failed to comply with any material obligation under this FSA, the parties shall follow the dispute resolution procedures set out in Section VI.A of the SIP Contract.

I. Effective date

This FSA shall take effect when the Multnomah County Board of Commissioners and the City of Gresham: (1) approve the Amended SIP Contract; and, (2) all parties execute, the SIP Contract, including this FSA, and it is signed by all the parties, including the City's acknowledgement of its TPB status. This FSA shall be in full force and effect until December 31 of the last year of the SIP Contract executed by MCHP, The County and The City.

J. Counterparts

This FSA may be signed in counterparts. When each party has signed a counterpart, all parties shall be bound by this FSA.

IT IS SO AGREED:

MICROCHIP TECHNOLOGY INCORPORATED

Authorized Officer

Title: _____

Date signed: _____

MULTNOMAH COUNTY

Ted Wheeler, Chair
Board of Commissioners

Date signed: _____

REVIEWED:

Sandra Duffy, Assistant County Attorney

THE CITY OF GRESHAM ACCEPTS THIRD PARTY BENEFICIARY STATUS:

THE CITY OF GRESHAM

Mayor

Date signed: _____

In recognizing that "Employees are our Greatest Strength," appropriate consideration is given to employees when filling job vacancies. In support of this philosophy, job openings are posted internally to help identify qualified candidates and to encourage employees who want to grow professionally.

1. When a position becomes vacant or is created due to business requirements, opportunities to promote or transfer from within will be explored consistent with the goal of filling positions with the most qualified individuals available.
2. Most vacant or new full-time positions will be posted unless there are compelling business or job-related circumstances not to post.
3. Job openings will be posted on the company bulletin boards located by cafeterias and on ChipNews and will remain posted for a minimum of 7 calendar days.
4. Employees who are eligible and qualified for an open position are encouraged to apply.
 - Internal Application forms are available from the Human Resources Department. A copy of the form is on the next page. Employees may apply for more than one job, but are required to fill out a new form for each job.
 - Employees must be in their present job for at least 12 months before they can apply for a new position. Exceptions can only be made upon the approval of the releasing department and Human Resources.
 - After accepting a transfer to a facility in another state, the employee must remain in their present job for at least 24 months before they can apply for a position (in a different state). Exceptions exist for sales offices and by the approval of Human Resources.
 - Internal applications will not be accepted from employees if they are currently on an Attendance Notice or Performance Improvement Plan.
 - The current supervisor's signature is not required on the internal application form unless the 12-month eligibility requirement has not been met. The current supervisor will be contacted prior to an offer being extended.
5. All applicants will be evaluated on the basis of ability, performance, related training, education and job experience. In the case where ability, performance and experience are relatively equal, seniority may be considered as a determining factor.
 - Human Resources will pre-screen all applications for eligibility.
 - The hiring manager is responsible for keeping the process timely.
6. Any individual posting may be representative of a job series and not necessarily a specific position. In such cases, the placement of an internal candidate may result in a lateral salary move. (see Promotions policy no. HR-150)
7. The selected employee will be released from their current job within 2-4 weeks. The release date may be extended depending on the circumstances and with the approval of the gaining department and the Human Resources.
8. The hiring manager will notify applicants who are not interviewed or selected.

Microchip may elect to handle individual circumstances on a case-by-case basis at the sole discretion of the company.

Transfers

Policy No.: HR-140

Issue Date: 09-30-91

Page 1 of 2 Revised: 03-05-02

INTENT

To provide an impartial and effective process for allowing an employee to transfer.

DEFINITION

- A Shift Transfer is a shift change from one shift to another (i.e. A shift to C shift).
- A Plant Transfer is a transfer from one plant to another (i.e. Chandler to Tempe).
- An FTE Transfer is a change in regular hours (i.e. full-time to part-time).

POLICY

1. A Transfer Request Form must be completed and submitted to the employee's supervisor or shift manager for all requests.
2. An employee must have worked in their present shift/plant for 6 months to be eligible for a Shift, Plant, and/or FTE Transfers.
3. An employee may apply for more than one type of transfer on a single form (i.e. shift and plant). Employees may not submit more than one transfer of the same type at the same time.
4. Once the supervisor or shift manager receives the form, the employee's name will be added to the appropriate transfer list(s).
5. If you change your transfer request, you will be placed at the bottom of that specific transfer list.
6. If an employee is on a Performance Improvement Plan or Attendance Notice, they are not eligible for any type of transfer until they have successfully fulfilled the performance or attendance improvement criteria. If an employee goes on a Performance Improvement Plan or Attendance Notice while on the list, their name may be placed on hold until they have fulfilled the criteria of the plan. This allows them to retain their place on the list.
7. When an opening becomes available for a transfer, the shift manager will refer to the transfer list(s) to fill the position. The selection will be made based on a match of employee qualifications and operational needs, and chronological order of the request date. Whenever possible priority will be placed on employee preferences; however, during periods of high growth and/or turnover or when the balance in production shifts is threatened a temporary hold of internal transfers may be required.
8. Once a transfer is offered, whether accepted or declined, the employee's name will be removed from that specific transfer list.
9. All employees on a transfer list may be queried periodically to see if they still want to be on the list.
10. When an employee accepts a transfer, they will be released as soon as a suitable replacement is trained and put in place. Typically, transfers will be completed within two months of the acceptance date.

Microchip may elect to handle individual circumstances on a case-by-case basis at the sole discretion of the Company.

Microchip Technology Inc.
Human Resources Policies

Ex. 3-2

Transfers

Policy No.: HR-140

Issue Date: 09-30-91

Page 2 of 2 Revised: 03-05-02

11. If a transfer results in a downgrade of an employee's classification, their pay will be adjusted accordingly. If a transfer results in a change in shift, pay differential will be adjusted accordingly.
12. If an employee's name is selected while they are on an approved leave of absence, the next name on the list will be chosen. The employee on leave will be eligible for the next transfer available following their return to work.

<u>Cross Reference</u>	<u>HR Policy No.</u>
Employee Performance Improvement Plan	HR-410
Attendance Notice	HR-440
Internal Application	HR-120
Part-time DL Work Prg	HR-170
Differential Pay	HR-220
FMLA & Other Leaves	HR-290

Ex. 3-3

Microchip may elect to handle individual circumstances on a case-by-case basis at the sole discretion of the Company.

Microchip Technology Inc.
Human Resources Policies

Open Door

Policy No.: HR-500

Issue Date: 09/30/91

Page 1 of 1

Revised: 02/15/94

INTENT

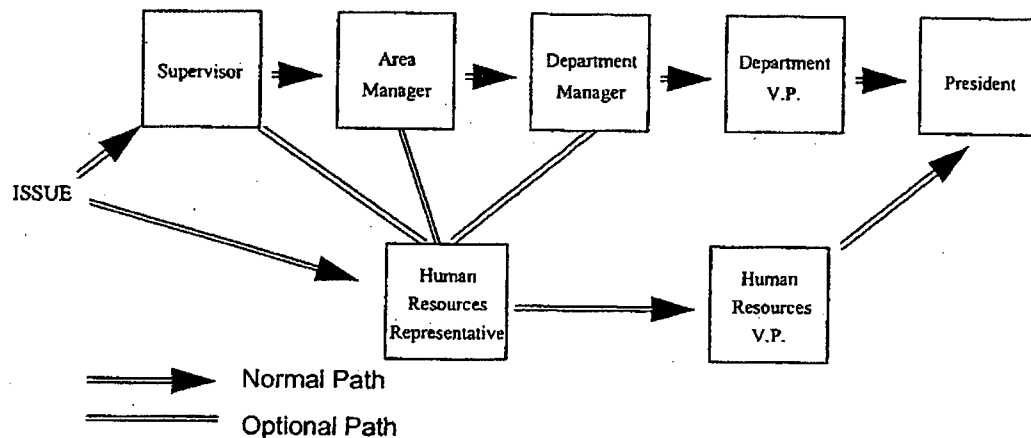
We believe "Communication is Vital" and we encourage open, honest, constructive, and ongoing communication to resolve issues. Therefore, we encourage all Microchip employees to raise work-related issues at the level they think is the most appropriate for quick and fair resolution.

DEFINITION

Work-related issues include any questions or problems you may have with your job, wages, performance reviews, disciplinary actions, job conditions, supervision, management, harassment, or with the application of any Microchip policy or system.

POLICY

1. You should try to resolve your problems and concerns through discussions with your supervisor. However, if you feel you must talk to someone else about the problem, you can bring your issue to any level in the organization at anytime. The recommended course of action is as follows:



2. Once you discuss an issue with a Supervisor or any level of management, that person will decide if an investigation is needed and what action should be taken. They will communicate the action/plan/resolution with you as quickly as possible. If you are not satisfied, you can try another Open Door. The President's decision is final.

<u>Cross Reference</u>	<u>HR</u>
	<u>Policy No.</u>
Performance Appraisals	HR-400
Employee Performance Improvement Plan	HR-410

Ex.4-1

Promotions

Policy No.: HR-150

Issue Date: 09-30-91

Page 1 of 1

Revised: 02-15-94

INTENT

We believe that "Employees are our Greatest Strength," and provide opportunities for qualified employees to grow into positions of greater responsibility and recognition.

POLICY

1. When a position becomes vacant or is created due to business requirements, all opportunities to promote from within will be explored consistent with the goal of filling positions with the most qualified individuals available.
2. Most vacant or new full-time positions will be posted consistent with the Internal Application policy. As stated in the policy, some positions may not be posted due to special job-related circumstances. If you are interested in applying for a posted position, follow the guidelines as outlined in the Internal Application policy.
3. Applying for a similar position in another department is considered a transfer, not a promotion. You must first discuss the transfer with your supervisor. Requests for transfer will be considered on the basis of your qualifications for the other position and in the best interest of the company. Except in unusual circumstances or for business reasons, you must be in your present position for at least 12 months.
4. In recognition of your performance and contribution, you may receive an increase in your responsibilities and job grade within the same job family. This is recognized as a time in grade promotion and doesn't require a job posting.
5. If you are promoted, you maintain no rights to your previous position.
6. All promotion decisions are made in a fair and objective manner in accordance with our Guiding Values.

<u>Cross Reference</u>	<u>HR Policy No.</u>
EEO	HR-100
Internal Application	HR-120
Transfers	HR-140
Performance Appraisals	HR-400

Ex. 4-2

Tuition Reimbursement

Policy No.: HR-320

Issue Date: 09-30-91

Page 1 of 2

Revised: 02-11-02

INTENT

In recognizing that "Employees are our Greatest Strength," we encourage employees to improve their job skills and knowledge in an effort to enhance their capabilities and increase their opportunities for growth with the company.

DEFINITION

Continuing Education applies to both full and part-time regular employees:

Employees are eligible for reimbursement for all courses leading toward an undergraduate degree at an accredited post-secondary institution that relates to a current/future position within Microchip consistent with company identified career goals or company needs. We may require verification that you are enrolled in an undergraduate degree program before approving reimbursement for a specific class. This reimbursement is non-taxable (subject to IRS limitations).

In accordance with IRS regulations, reimbursement for graduate courses of any kind that lead to a business, law, medical, or other advanced degree must be treated as a taxable reimbursement to employees, as they can prepare an employee for another position. The reimbursement for graduate courses that either a) maintain or improve skills required in the employee's current position, or b) are a requirement for continued employment will not be taxed (subject to IRS limitations).

Both full-time and part-time employees are eligible for reimbursement for all courses related to a current position or a future assignment/promotion consistent with identified career goals or company needs.

POLICY

1. Your request for a refund will only be considered if you were a regular part-time or full-time employee and you were actively working for Microchip at the start and at the completion of the course(s) to be reimbursed.
2. If on an Attendance Notice II (ANII) or a Performance Improvement Plan (PIP) you can not be approved for reimbursement for any future classes until you've successfully completed the terms of your ANII &/or PIP. If you are currently attending an approved class at the time you are placed on an ANII or PIP, that class will still be eligible for reimbursement, subject to the terms of the policy.
3. After successfully completing a continuing education class, you will be reimbursed for all tuition, registration fees, lab fees, and books.
 - You must receive a passing grade of "C" or better or a Pass if no grade is issued. Failures or incomplete will not be reimbursed, except in the case where an incomplete is caused by the company.
 - Student activity fees, parking fees and other indirect expenses will not be reimbursed.
 - If you receive assistance from any other sources, such as from a scholarship or from the military, we will pay the difference between the amount you receive and the total cost. This information must be disclosed on the Tuition Reimbursement Form.

Microchip may elect to handle individual circumstances on a case-by-case basis at the sole discretion of the company.

Microchip Technology INC.
Human Resources Policies

Ex.5-1

Tuition Reimbursement

Policy No.: HR-320

Issue Date: 09-30-91

Page 2 of 2

Revised: 02-11-02

4. To receive your reimbursement, you must submit the "Tuition Reimbursement" form (form attached and available under ChipNews, HR Forms Bin), proof of satisfactory completion of the course, and all receipts to the Human Resources Department.
 - The "Tuition Reimbursement" form must be completed, signed and submitted to Human Resources BEFORE the first class session. Failure to remit the form for approval prior to commencing courses may result in a denial for reimbursement.
 - Once approved, a copy of the form will be returned to you. When you complete the class, submit the course completion documentation and receipts to Human Resources for reimbursement. Reimbursements are processed weekly.
5. We will reimburse you for taking up to 2 courses at any one time (full-time regular). Full-time employees attending Community College may be reimbursed for taking up to 3 Community College courses at any one time. We will reimburse you for taking up to 1 course at any one time (part-time regular).
6. Employees are responsible for any tax liability resulting from benefits paid under this policy.
7. * Full-time (FT) employees work 32 or more hours per week.
8. * Part-time (PT) employees work 20 - 31 hours per week.

SIP Salary Projections (2009)

Positions w/ Career Ladder	Grade	MCHP Avg Salary	Est. Fringe Benefits	Total Salary	
<u>Engineering</u>					
Associate Eng	56	\$55,350	\$13,838	\$69,188	
Engineer	57	\$62,102	\$15,526	\$77,628	
Sr. Engineer	59	\$69,119	\$17,280	\$86,399	
Principal Eng	61	\$87,003	\$21,751	\$108,754	
Tech Staff Eng	62	\$103,957	\$25,989	\$129,946	
Sr. Tech Staff Eng	63	\$111,131	\$27,783	\$138,914	
Principal Tech Staff	64	\$125,414	\$31,354	\$156,768	
<u>Engineering Mgmt</u>					
Group Leader	62	\$95,958	\$23,990	\$119,948	
Engineering Mgr	63	\$102,274	\$25,569	\$127,843	
Sr Engineering Mgr	64	\$118,540	\$29,635	\$148,175	
<u>*Eng Techs</u>					
Eng Tech I	51	\$31,686	\$7,922	\$39,608	
Eng Tech II	52	\$32,418	\$8,105	\$40,523	
Eng Tech III	54	\$37,621	\$9,405	\$47,026	
Sr. Eng Tech	55	\$47,519	\$11,880	\$59,399	
<u>*Equipment Techs</u>					
Equipment Tech I	52	\$26,653	\$6,663	\$33,316	
Equipment Tech II	53	\$36,733	\$9,183	\$45,916	
Equipment Tech III	55	\$43,699	\$10,925	\$54,624	
Sr. Equipment Technician	56	\$54,245	\$13,561	\$67,806	
<u>*MFG</u>					
Production Specialist	91	\$20,800	\$6,240	\$27,040	No Exp
Production Specialist	92	\$22,707	\$6,812	\$29,519	6m-1 yr
Production Specialist	93	\$24,083	\$7,225	\$31,308	1-2 yrs
Production Specialist	95	\$25,919	\$7,776	\$33,695	2-3 yrs
Production Specialist	96	\$31,446	\$9,434	\$40,880	3+ yrs
Process Enhancement Specialist	97	\$33,665	\$10,100	\$43,765	3+ yrs
Lead Prod Specialist	98	\$35,650	\$10,695	\$46,345	3+ yrs
<u>MFG Mgmt</u>					
Production Supervisor	56	\$53,584	\$13,396	\$66,980	
Sr. Production Supervisor	57	\$67,525	\$16,881	\$84,406	

Production Section Mgr.	60	\$65,946	\$16,487	\$82,433
Sr. Manufacturing Mgr.	62	\$87,119	\$21,780	\$108,899

Administrative Sppt

Clerical I	50	\$30,553	\$7,638	\$38,191
Clerical II	51	\$34,618	\$8,655	\$43,273
Admn Assistant	52	\$35,671	\$8,918	\$44,589
Sr. Admn Assistant	53	\$38,902	\$9,726	\$48,628
Exec Admn Assistant	54	\$47,270	\$11,818	\$59,088

***Facilities**

Facilities Tech I	52	\$36,125	\$9,031	\$45,156
Facilities Tech II	53	\$38,220	\$9,555	\$47,775
Facilities Tech III	54	\$42,111	\$10,528	\$52,639
Sr. Facilities Tech	55	\$51,797	\$12,949	\$64,746
Master Facilities Tech	56	\$69,706	\$17,427	\$87,133

Facilities Mgmt

Facilities Maint. Supv	57	\$84,101	\$21,025	\$105,126
Facilities Manager	60	\$90,000	\$22,500	\$112,500
Sr. Facilities Manager	63	\$106,861	\$26,715	\$133,576

Doc Control

Doc Control Clerk	50	\$30,553	\$7,638	\$38,191
Sr. Doc Control Clerk	51	\$34,618	\$8,655	\$43,273
Doc Control Coord	53	\$37,239	\$9,310	\$46,549
Doc Control Admin	54	\$41,144	\$10,286	\$51,430
Sr. Technical Writer	56	\$45,574	\$11,394	\$56,968

***Materials**

Material Handler	50	\$27,040	\$6,760	\$33,800
Material Spec II	51	\$34,618	\$8,655	\$43,273
Material Spec III	52	\$35,214	\$8,804	\$44,018

Material Mgmt

Supervisor Materials	56	\$49,970	\$12,493	\$62,463
Materials Manager	60	\$62,766	\$15,692	\$78,458

Human Resources

HR Admn	52	\$35,214	\$8,804	\$44,018
Sr. HR Admn	54	\$41,144	\$10,286	\$51,430

HR Generalist	55	\$42,481	\$10,620	\$53,101
HR Representative	56	\$46,800	\$11,700	\$58,500
Sr. HR Representative	57	\$54,227	\$13,557	\$67,784
HR Manager	60	\$72,752	\$18,188	\$90,940
Sr. HR Manager	62	\$80,000	\$20,000	\$100,000

Manf Training

Mfg. Training Instructor	52	\$30,637	\$7,659	\$38,296
Sr. Mfg. Training Instructor	53	\$37,686	\$9,422	\$47,108
Mfg. Training Supv	56	\$47,932	\$11,983	\$59,915
Sr. Mfg. Training Supv	57	\$57,138	\$14,285	\$71,423
Manager Employee Dev	60	\$67,184	\$16,796	\$83,980

IS

Systems Ops Spec	52	\$38,967	\$9,742	\$48,709
Sr. Systems Ops Spec	53	\$43,220	\$10,805	\$54,025
Information Systems Tech	55	\$35,671	\$8,918	\$44,589
Manager I.S.	61	\$92,606	\$23,152	\$115,758
Sr. Mgr. Fab 4 I.S.	62	\$107,030	\$26,758	\$133,788

Supply Mgmt

Purchasing Coord	53	\$35,290	\$5,720	\$28,600
Sr. Purchasing Coord	54	\$36,672		
Supply Analyst	55	\$57,176	\$7,685	\$38,423
Supply Analyst II	56	\$46,527	\$9,499	\$47,496
Sr. Supply Analyst	57	\$57,138	\$11,782	\$58,908

Shift Structure & Differentials

FD = Front End Days

Sun, Mon, Tues
(Wed)

Shift Diff

5%

Swing Day

Wed

BD = Back End Days

(Wed) Thur, Fri

5%

Wed

	Sat		
FN = Front End Nights	(Sat) Sun, Mon Tues	15%	Sat
BN = Back End Nights	Wed, Thur, Fri (Sat)	15%	Sat

History of Merit Increases:

DL on annual merit review process (anniversary date)

IDL on annual "focal" merit review in May

Merit 2008	4% Budget	20% Promos/Adj.
	Merit increases were originally delayed 6 months Employees had 6 month merit delay \$ converted into Restricted Stock Units (RSU's) Merit increases were postponed	
Merit 2007	5% Budget	20% Promos/Adj.
Merit 2006	5% Budget	20% Promos/Adj.

Position	Description	MCHP AVG
Materials/Shipping	Manager	\$62,766
Materials/Shipping	Handler	\$27,040
Materials/Shipping	Inventory Control	\$30,419
Admin	Manager	\$75,922
Admin	Envir/Safety/Hlth Eng	\$93,739
Admin	Admin	\$44,591
Yield Eng.	Manager/Engineer	\$91,835
Yield Eng.	Technician	\$43,890
Process Eng.	Manager	\$99,725
Process Eng.	Process Eng/GL	\$79,569
Process Eng.	Process Techs	\$38,822
Equipment Eng.	Manager	\$94,421

Equipment Eng.	Equip. Eng	\$80,551
Equipment Eng.	Equip. Techs	\$52,644

Prod/Mfg Training	Manager	\$73,004
Prod/Mfg Training	Supervisor	\$64,040
Prod/Mfg Training	Lot Control	\$31,836
Prod/Mfg Training	Tech Writer	\$45,574
Prod/Mfg Training	Specialists	\$29,341

Facilities		\$55,504
Human Resources		\$47,592
Production Mfg	Trainer	\$35,193
Information Systems		\$73,463

Health & Retirement Benefits

Policy No.: HR-330

Issue Date: 09-30-91

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Revised: 08-03-04

INTENT

Microchip offers a variety of benefits and options designed so that you can select a plan to best meet your specific needs. As needs change, you can adjust your benefits each year to meet your new situation.

DEFINITION

A regular full-time employee is eligible to participate in the Flexible Benefit Program on the first day of work.

A regular part-time employee is eligible for "employee only" participation in the Flexible Benefit Program on the first day of work. (see your benefits representative for detailed eligibility)

The Flexible Benefit Program includes the following coverages:

Medical	Dental
Employee Life	Short Term Disability (non exempt employees)
Alternative Health Care (AZ & OR only)	Long Term Disability Income
Health Care Reimbursement Account	Dependent Care Reimbursement Account
Accidental Death & Dismemberment (full time employees only)	Vision

POLICY

It is an employee's responsibility to be aware of and adhere to the terms and conditions of all benefit plans and programs offered by Microchip.

Microchip provides the following Summary Plan Descriptions and publications that employees should refer to in using the coverages provided through the **Flexible Benefit Program**. In addition, you may talk to the Benefits Representative in Human Resources.

Your Flexible Benefits Program Guide	Your Group Medical Plan
BCBS AZ Provider Directory (AZ only)	Your Group Life Insurance Plan
CCN Provider Directory (outside of AZ)	Your Short Term Disability Plan (non-exempt employees)
Your Group Disability Insurance Plan	Your Personal Accident Insurance Plan
Your Group Dental Plan	

Microchip may elect to handle individual circumstances on a case-by-case basis at the sole discretion of the Company.

Microchip Technology Inc.
Human Resources Policies

Health & Retirement Benefits

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Microchip also provides the following benefits. Eligibility for these benefits may be based on the amount of time with the company and/or your status (i.e. full time, part-time, etc.). Refer to your summary plan descriptions, policies or see your Benefits Representative for specific eligibility.

Tuition Reimbursement	401(k) Retirement Savings Plan
Employee Stock Purchase Plan (ESPP)	Employee Cash Bonus Plan (ECBP)
Direct Deposit Banking	Credit Union Membership
Travel Accident Insurance (business travel)	Costco & SAMs Club Membership
U.S. Savings Bond Purchase	Employee Referral Program
Patent & Publications Awards	Health Club Reimbursement
MetLife Supplemental Life Plan	Employee Assistance Program (EAP)
ARAG Group Legal Plan	Group Auto/Home Insurance

In addition to the above benefits, Microchip appreciates the contribution that employees make during their time with the company. Though it is the employee's primary responsibility to plan for their financial futures through such programs as 401(k) and Stock Purchase Plans, it is the company's intent to acknowledge this contribution when an employee reaches retirement age. To be considered as a "retiring" employee you must have reached 55 years of age and completed at least 5 years of service with Microchip. If eligible, the company will provide \$250 in appreciation of the employee's service.

All plans are subject to change. The summary plan descriptions in Human Resources are the controlling documents for all plans and programs

Microchip may elect to handle individual circumstances on a case-by-case basis at the sole discretion of the Company.

Microchip Technology Inc.
Human Resources Policies

Family and Medical Leave of Absence & Other Leaves of Absence

Policy No.: HR-290

Issue Date: 09-30-91

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Revised: 07-14-08

INTENT

Microchip Technology recognizes that employees occasionally need to take time away from work to care for important family, medical, and personal needs. This policy is designed to meet those needs in a manner that is beneficial to employees, their families, and the Company, while complying with the Family and Medical Leave Act of 1993 (FMLA) and other laws.

POLICY

FAMILY AND MEDICAL LEAVE OF ABSENCES

1. Reasons for Leave

Eligible employees may be entitled to take a leave of absence for the following reasons:

- a) New Child Leave - The birth of a child, or the placement in your home of a child for adoption or for foster care and in order to care for such child in the first 12 months after childbirth or placement. (Microchip can require that leave be taken all at one time.)
- b) Family Medical Leave - The need to care for your spouse, child or parent who has a serious health condition. (Intermittent or reduced leave is permitted if certified medically necessary.)
- c) Employee Medical Leave - A serious health condition that prohibits an employee from performing the essential functions of their employment position. (Intermittent or reduced leave is permitted if certified medically necessary.)
- d) Active Duty Leave - Provides up to 12 weeks of FMLA leave due to an employee's spouse, son, daughter or parent being on active duty or having been notified of an impending call or order to active duty in the Armed Forces (intermittent or reduced leave is permitted.).
- e) Caregiver Leave - Provides up to 26 weeks of FMLA leave during a single 12-month period to care for a spouse, son, daughter, parent or next of kin ("nearest blood relative") who is a covered servicemember (intermittent or reduced leave is permitted if certified medically necessary).

2. Eligibility

To be eligible for a FMLA leave under this policy, you must:

- a) be employed by the company for at least twelve (12) months for an EMPLOYEE MEDICAL LEAVE and twelve (12) months for a NEW CHILD LEAVE and FAMILY MEDICAL LEAVE; and
- b) have worked at least 1,250 hours during the 12-month period preceding the start date of the leave. For intermittent leaves which cover more than one 12-month period, Human Resources will re-qualify eligibility of the employee by obtaining a new medical certification and determining if the hours worked in the preceding 12-month period add up to at least 1,250 hours.
- c) work at a location where the Company has at least 50 employees within a 75-mile radius.

Microchip may elect to handle individual circumstances on a case-by-case basis at the sole discretion of the Company.

Microchip Technology Inc.
Human Resources Policies

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3. Duration of Leave

- a) If you meet the FMLA eligibility requirements, you may take up to 12 weeks of leave during a 12-month period for qualifying events except the Caregiver Leave where you may take up to 26 weeks of leave during a 12-month period. The 12-month period is measured by looking backward from the date the leave is to start or has started. A request for a FMLA leave of absence will not be approved if you have already used 12 weeks of leave under the policy during the 12 months preceding the date you requested to begin your leave.
- b) The department manager and Human Resources may approve additional leave for EMPLOYEE MEDICAL LEAVES (generally, limited to 14 additional weeks). However, provisions of the FMLA will not be applicable to medical leaves beyond 12 weeks. Generally, an employee is subject to termination after 26 weeks of Employee Medical Leave in any 12-month period, unless further leave is appropriate under individual circumstances and required by law.

4. Leave Limitation for Spouses

- a) If both spouses are employed by Microchip, both spouses' combined FMLA leave cannot exceed 12 weeks total during the 12-month period following birth, or within any 12-month period where the purpose is for the placement for adoption or foster care of a child. This limitation does not apply where the leave is for a FMLA-authorized reason other than the birth, placement for adoption or foster care of a child.

5. Requesting Leave of Absence

- a) Foreseeable Events - You are expected to complete and submit the Request for Leave Application form to Human Resources at least 30 days in advance of foreseeable leaves, such as leaves for planned medical treatment or for your child's birth. Where you do not have 30 days advance notice of the need for leave, you must provide as much notice as you are given.
- b) Unforeseeable Events - For unforeseen events, such as accidental injury causing a serious health condition, premature birth, or a sudden change in your health, you are required to give notification of your need for leave as soon as it is possible and practical to do so. For unforeseeable leaves, the Human Resources Department will mail the Request for Leave Application form to you. (Note: The FMLA requires that the employer designate leave as "FMLA" within two (2) business days of employee's return to work. Failure to notify Human Resources of your leave within these two days will result in leave being designated as non-FMLA.)
- c) Failure to Comply - Failure to follow this procedure for requesting leave may result in delay or denial of your leave, in which case your absences may not be excused and could result in discipline under the Microchip attendance policy. Additionally, in the case of foreseeable leaves, the Company may delay your leave for up to 30 days from the date you notify the Company of your intention to take a leave of absence.

6. Medical Certification

You must provide a certification from a qualified health care provider to verify the serious health condition causing the need for a leave of absence. The certification forms are available in Human Resources and must be submitted no later than 15 days following your request for an unforeseeable event or 15 days following a planned medical treatment. An extension may be granted if the

Microchip may elect to handle individual circumstances on a case-by-case basis at the sole discretion of the Company.

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employee didn't provide the certification within 15 days despite diligent, good-faith efforts to obtain it. In that case, the Company may verify those efforts. You may be required to provide updated medical forms throughout the leave.

- a) Second and Third Opinions - If the Company has a good reason to doubt the medical validity of the certificate, it may require, at its expense, that you obtain the opinion of a second health care provider approved by the Company. If the opinion of the employee's and the Company's health care providers differ; a third mutually agreeable health care provider shall be selected, at the Company's expense. That provider's opinion shall be binding.
- b) Employee Medical Leave - You qualify for an FMLA Leave only if you are not able to perform the essential functions of your employment position.
- c) Family Medical Leave - You may qualify for a Family Medical Leave only if the Medical Certification states that you are needed to care for your covered family member.
- d) Failure to Comply - If you fail to follow these guidelines or if you falsify any information related to the Medical Certification, your leave may be delayed, denied and you may be disciplined up to and including termination.

7. Active Duty Certification

You must provide military documents that show that family member is on active duty or being ordered to active duty.

8. Use of Vacation, Sick & Personal Absence Time

- a) Leaves of absence under the FMLA are generally without pay. However, you will be *required* to use your available unused accrued-to-date personal absence pay. You will have the *option* to use your remaining annual allotment of personal absence and/or vacation pay. Pay for vacation time (if elected) and personal absence must be used at the start of the leave and is limited to the first 14 consecutive days of a non-exempt Employee Medical Leave (waiting period for Short Term Disability). Note: Vacation and personal absence pay are accrued each month as long as you work at least 15 days during the month. If you are out on a leave of absence and don't work 15 days during that month and any additional months you are on leave, you don't accrue vacation and personal absence pay for those months.
- b) Regardless of whether you receive vacation or personal absence pay during the FMLA leave, the full amount of leave will be counted toward the 12-week maximum available in a 12-month period.

9. Other Compensation During Employee Medical Leave

Eligible non-exempt employees are covered with short-term disability compensation for leaves for *their own medical disability* subject to the terms of the STD coverage. Eligible exempt employees may be covered with salary continuance for *their own medical disability* at the discretion of the Company. Approved salary continuation will be coordinated with any government-provided disability received by the employee.

10. Continuance of Insurance During Leave

During any FMLA leave under this policy, you will continue to be covered by Microchip's Flexible Benefits group insurance plan as long as you satisfy the requirements of this policy and the insurance plan. (continued on next page)

Microchip may elect to handle individual circumstances on a case-by-case basis at the sole discretion of the Company.

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- a) You Pay Your Portion - An employee who is granted an approved leave of absence under this policy is responsible to make arrangements to pay their share of the costs during the period of unpaid absence (e.g., premium payments during leave or double deductions upon return to work, as elected).
- b) Not Returning to Employment - Coverage may stop if the Company learns you do not intend to return to your employment or if you do not return to your employment when your leave expires. In these cases, the Company may request reimbursement of any premiums it has paid on your behalf during the leave unless the reason you did not return was because of a continued serious health condition or for other reasons beyond your control as identified in the FMLA.
- c) Failure to Comply - If you fail to comply with these requirements, your coverage may lapse. If it does, you will be offered continuation coverage as required under COBRA.

11. Return to Work After Employee Medical Leave

Prior to returning to work, you must obtain a release to work from your health care provider that states you are able to resume work and lists any restrictions that may apply. You must contact Human Resources to submit your medical clearance and to determine when to report for work. Failure to follow these procedures may result in a delay when you are ready to return to work.

12. Restoration of Same or Equivalent Position

- a) Return from Leave - When you return from an FMLA leave under this policy, you will be restored to the same or equivalent position. You will not lose any benefits accrued before your leave, although you will not accrue any additional vacation, personal absence time or other benefits during the period of leave. Note: When you return to work, payroll will adjust your paycheck for any over-utilization of personal absence and/or vacation pay used during your leave. The adjustment will first affect any accrued-to-date personal absence or vacation pay available, followed by regular earnings. If necessary, adjustments will overlap into additional payrolls.
- b) "Highly Compensated" Exception - The Company is not required to guarantee job restoration to certain highly compensated employees. You will be notified at the time you request your leave if you fall within the FMLA definition of a highly compensated employee.

13. Definitions

- a) Covered Relations
 - 1. Child - includes biological, adopted and foster child, as well as stepchild, legal ward or a "child" of a person acting in the capacity of a parent provided the child is under 18 years of age or over 18 years of age but unable to care for themselves because of a physical or mental disability.
 - 2. Spouse - a husband or wife as defined or recognized under state laws for purposes of marriage, including common law marriage in states where it is recognized.
 - 3. Parent - the biological parent of an employee as well as a person that acts in the capacity of a parent toward the employee.
 - 4. Next of Kin - nearest blood relative.

Microchip may elect to handle individual circumstances on a case-by-case basis at the sole discretion of the Company.

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- b) Serious Health Condition - Illness, injury, impairment, or physical or mental conditions that involves:
1. Any period of incapacity or treatment in connection with or consequent to in-patient care (i.e. an overnight stay) in a hospital, hospice, or residential medical care facility.
 2. Any period of incapacity requiring absence from work, school or other regular daily activities, of more than three calendar days, that also involves continuing treatment by (or under the supervision of) a health care provider.
 3. Continuing treatment by (or under the supervision of) a health care provider for a chronic or long-term health care condition that is incurable or so serious that, if not treated, would likely result in a period of incapacity of more than three calendar days; or for prenatal care.
 4. For Caregiver Leave the service member must have a serious injury or illness that was incurred in the line of duty on active duty in the Armed Forces that may render the member medically unfit to perform the duties of the member's office, grade, rank, or rating and for which the member is (1) undergoing medical treatment, recuperation or therapy; (2) an outpatient; or (3) on a temporary disability retired list.
- c) Qualified Health Care Provider
1. A doctor of medicine or osteopathy who is authorized to practice medicine or surgery.
 2. Includes podiatrists, dentists, clinical psychologists, optometrists and chiropractors (limited to treatment consisting of manual manipulation of the spine to correct a subluxation as demonstrated by x-ray to exist).
 3. Nurse practitioners and nurse-midwives who are authorized to practice under state law and who are performing within the scope of their practice.
 4. Christian Science practitioners listed with the First Church of Christ, Scientist in Boston, Massachusetts.
- d) Intermittent Leave
- Is taken in separate blocks of time due to a single illness or injury, rather than for one continuous period of time, and may include leave of periods from an hour or more to several weeks. These leaves must be recertified at least every six months.
- e) Reduced Leave Schedule
- A leave that is a change in the employee's schedule for a period of time, normally from full-time to part-time by reducing the number of working hours per work week or hours per work day.

14. Miscellaneous

- a) Time Off for Industrial Injuries - If you are absent from work due to a job-related incident, you may also be covered by the FMLA policy in which case the full amount of time off will be counted toward your FMLA entitlement. (Reference Industrial Injury Pay Policy, HR-260).
- b) Alternate Position - The Company may require you to work in a different position or on a different schedule during the period of an intermittent or reduced schedule leave that will better accommodate the necessities of your schedule. The alternative position will have the same pay and benefits as the position you held prior to commencement of the leave.

Microchip may elect to handle individual circumstances on a case-by-case basis at the sole discretion of the Company.

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- c) Exempt Classification – Salary Reductions - Exempt employees on a reduced or intermittent leave schedule can have their compensation reduced without loss of their exempt status.
- d) Requirement to Minimize Disruption for Planned Medical Treatments - For all leaves involving planned medical treatments, including intermittent and reduced schedule leaves; you are obligated to plan for treatments so that they will cause the least disruption to the Company's operations. You are required to coordinate the scheduling of such planned events with your supervisor in advance and should try to schedule time off at the beginning or end of your shift.
- e) Multiple Qualifying Events - An employee with more than one qualifying event (e.g. adoption and care of a seriously ill parent) within a 12-month period is not entitled to a separate 12-week period for each event.
- f) Seeking Other Employment - During a leave of absence a person may not engage in gainful employment. Accepting other employment may result in termination of employment and/or discontinuance of disability benefits (i.e. short-term disability or salary continuance benefits).
- g) Applying for Posted Positions - You cannot apply for a posted position until you return from your leave of absence.
- h) Misuse - Misuse of FMLA/OFLA leave, including using leave time for a purpose other than the permitted reasons described above, may result in discipline, including termination of employment.

Summary of Oregon Family Leave Laws (Oregon employees only)

Under the Oregon Family Leave Act (OFLA), employees must have worked an average of 25 hours per week in the previous 180 days to qualify for state family leave. Employees taking leave to care for a newborn, adopted or newly-placed foster child only have to meet the 180 day employment requirement (regardless of the number of hours worked).

In addition to the FMLA-qualifying purposes (taking unpaid time off for an employee's own serious health condition, parent, child, and spouse's serious health condition and parental leave), in Oregon employees may also request family leave for the serious health condition of a parent-in-law, same sex domestic partner, and a same-sex domestic partner's child or parent. Employees may also request time off to care for a sick child who does not have a serious health condition and needs home care, provided another family member is not willing and able to care for the child ("sick child leave").

In addition to the basic FMLA 12-week family leave entitlement, Oregon employees may qualify for an additional:

- 1) 12 weeks for pregnancy-related disability or prenatal care, and
- 2) 12 weeks for sick child leave if employees take 12 weeks of family leave as parental leave first.

In Oregon, employees who use sick child leave on more than three separate occasions in a 12-month period, looking backward from the date of the first occurrence, may be required to provide medical certification.

Reinstatement following Oregon family leave is generally to the employee's former position, unless that position has been eliminated, in which case to an available, equivalent position.

Leave granted under OFLA runs concurrently with leave under FMLA and other paid and unpaid leaves where allowed by law. You may have additional rights under OFLA, though generally unless noted; the FMLA policy will apply.

Microchip may elect to handle individual circumstances on a case-by-case basis at the sole discretion of the Company.

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Summary of California Paid Family Leave Law (California Employees Only)

Under the Paid Family Leave Law (PFL) all employees working in California are eligible for this leave. The PFL does not require a minimum number of hours worked or days employed to qualify for the benefits. Employees may receive up to 6 weeks of benefits that may be paid over a 12-month period. Employees have to be off work at least 8 calendar days to receive PFL benefits. PFL does not provide job protection like FMLA and CFRA.

Employees can use PFL to care for a seriously ill child, spouse, parent or a CA registered domestic partner and to bond with a new child or with a child in connection with adoption or foster care placement. Microchip will require employees to take leave under FMLA (where applicable) and CFRA (where applicable) concurrently with leave taken under PFL.

To apply for PFL an employee must fill out the Microchip Leave of Absence Request Form and submit to HR. They must also file a claim form with the State of CA along with the necessary medical documents. The claim forms are available from the CA EDD offices.

During the first week waiting period, Microchip will require that employees use any earned and unused vacation time. If not available, non-exempt personal time can be used. After the waiting period employees will begin receiving PFL benefits and Microchip will coordinate any vacation or personal time used with the PFL benefit if the employee requests it.

Domestic Violence Leave - Special Oregon Provision

Under Oregon law, Microchip is required to allow eligible employees to take a reasonable amount of time off work to deal with issues arising from being a victim (or the parent or guardian of a minor child or dependent who is the victim) of domestic abuse, rape or stalking. An employee is eligible for this leave if he/she has worked for Microchip an average of 25 or more hours per week for a 180 day period immediately prior to the leave.

Under this law, Microchip must allow an eligible employee to take reasonable leave from employment for any of the following purposes:

- To seek legal advice or law enforcement assistance or remedies to ensure the health and safety of the employee or the employee's minor child or dependent;
- To seek medical treatment for, or to recover from, injuries caused by domestic violence, sexual assault or stalking;
- To obtain, or to assist a minor child or dependent in obtaining, counseling from a licensed mental health professional or services from a victim services provider; or
- To relocate, or take steps to secure an existing home, to ensure the employee's own or the children's health and safety.

An employee seeking protected leave under this policy/law must contact Gresham Human Resources. The employee must give Microchip reasonable advance notice of the intention to take leave, unless it is not feasible under the circumstances. Microchip may require certification confirming the need for such leave. Additionally, Microchip may limit the amount of leave an eligible employee takes for such purposes, if the employee's leave creates an undue hardship on the business. All information related to the employee's request and/or taking of such leave will be kept confidential.

Leaves of absence related to domestic violence, as approved, are generally without pay; however, employees will be *required* to use available unused accrued-to-date personal absence time and will have the *option* to use any remaining annual allotment of personal absence and/or vacation time. Note: Vacation and personal absence time are accrued each month as long as an employee works at least 15 days during the month. If on a leave of absence and an employee doesn't work 15 days during each month, there is no vacation and personal absence accrual for the month.

Microchip may elect to handle individual circumstances on a case-by-case basis at the sole discretion of the Company.

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Personal Leave

Personal leave may be granted in the sole discretion of the Company for compelling personal reasons, such as non-medical emergencies or hardship. Personal leave may not be used to engage in any moneymaking activity or to start a business. You must have at least 1 year of service before you can apply, and your leave will not be approved if you are on a Performance Improvement Plan or Attendance Notice. Personal leaves may be granted for up to 12 weeks. While on leave, you do not qualify for employee benefits.

Military Leave

Military leave is for active duty or training in the United States Armed Forces, including annual military duty or training for reservists. This type of leave is treated as if the employee remained on the job in terms of seniority for vacation and other accrued benefits. Microchip will adhere to the terms of the Uniformed Services Employment and Reemployment Rights Act (USERRA). As such, the employee is guaranteed a job at a grade and rate established at the time of re-employment in accordance with the requirements of USERRA. While on active duty employees who have at least a year of service with Microchip will receive their regular pay offset by military pay for up to one year. After one year, Microchip will review business conditions and determine if further salary continuation will be continued. Employees, who are reservists, will receive 80 hours of base compensation (offset by military pay) during the time they are performing their annual service/training. A Leave of Absence Request Form, a copy of the Orders, and a copy of wages received for their military service is required for this type of leave.

An employee who enlists in to the armed services (not reserves) will not be eligible for continued salary coordination while on active duty. In this instance, Microchip will adhere to the terms of the Uniformed Services Employment and Reemployment Rights Act (USERRA).

Educational Leave

Educational leave may be granted for employees who need to attend school full-time to complete a course of study that directly supports a current position or a future assignment consistent with identified Company career goals or needs. You need 1 year of continuous service before your leave will be approved, and your leave will not be approved if you are on a Performance Improvement Plan or Attendance Notice. Leaves may be granted for one semester. Extensions may be granted for additional semesters, but the maximum educational leave is 1 year. While on leave, you do not qualify for a tuition refund or employee benefits (see Tuition Refund Policy).

Microchip may elect to handle individual circumstances on a case-by-case basis at the sole discretion of the Company.

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Human Resources Policies**

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Non-FMLA Medical Leaves

If you have been employed less than one year you are not eligible for a FMLA Employee Medical Leave. However, if you have been (re)employed for at least six months you may be eligible for a Non-FMLA Employee Medical Leave. Moreover, even if you have not been (re)employed six months you may be eligible for leave depending upon your individual circumstances and mandates of Federal and State law (such as the American with Disability Act). See your Human Resources representative.

1. Under Employee Medical Leaves that are non-FMLA, you will be *required* to use your available unused accrued-to-date personal absence and vacation pay during your waiting period for Short Term Disability (non-exempts only). The use of your remaining annual allotment of personal absence and/or vacation is not allowed for this type of leave.
2. When you have been released to return to work and your job is not protected under federal or state law, the Company may determine if your position is still available and if not, if any other position you are qualified for is available.
3. The department manager and Human Resources may approve additional time off (i.e., more than 12 weeks) for non-FMLA employee medical leaves. However, the provisions of the FMLA will not be applicable to medical leaves that exceed 12 weeks.
4. Continuance of Insurance During Leave

During any non-FMLA medical leave under this policy, you will continue to be covered by Microchip's Flexible Benefits group insurance plan as long as you satisfy the requirements of this policy and the insurance plan.

- a) You Pay Your Portion – An employee who is granted an approved leave of absence under this policy is responsible to make arrangements to pay their share of the costs during the period of unpaid absence (i.e. premium payments during leave or double deductions upon return to work).
 - b) Not Returning to Employment – Coverage may stop if the Company learns you do not intend to return to your employment or if you do not return to your employment when your leave expires. In these cases, the Company may request reimbursement of any premiums it has paid on your behalf during the leave.
 - c) Failure to Comply – If you fail to comply with these requirements, your coverage may lapse. If it does, you will be offered COBRA continuation coverage as provided by law.
5. If you:
- a) Have been (re)employed more than three (3) months (see guideline for first 3 months in Attendance Policy, HR-210) but less than six (6) months;
 - b) Are not eligible for leave under any federal and/or state law;
 - c) Are not currently on a PIP or AN; and
 - d) Need time off for your own medical condition

you may be provided with up to two (2) weeks to return to work before your position will be terminated. Pay during this two-week period may consist of both accrued and as yet unaccrued

Microchip may elect to handle individual circumstances on a case-by-case basis at the sole discretion of the Company.

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(limited to current estimated accrual for the calendar year in which the time is being taken) vacation (if scheduled in advance) and/or scheduled or unscheduled personal absence time. The two (2) weeks of time off is at the discretion of management and, if approved, will be subject to the terms of the Attendance Policy (HR-210), which may include termination of employment.

<u>Cross Reference</u>	<u>HR Policy No.</u>
EEO	HR-100
Transfers	HR-140
Attendance	HR-210
Personal Absence Pay	HR-250
Industrial Injury Pay	HR-260
Vacations	HR-300
Bridging of Service	HR-340

Microchip may elect to handle individual circumstances on a case-by-case basis at the sole discretion of the Company.

**Microchip Technology Inc.
Human Resources Policies**

Vacations

Policy No.: HR-300

Issue Date: 09-30-91

Page 1 of 4

Revised: 11-05-08

INTENT

Microchip provides for employee health and welfare by giving vacation time off for rest and relaxation. We also recognize employees' long-term contributions by increasing vacation time as years of service accumulate.

DEFINITION

Full time employees work a minimum of 32 hours per week.

POLICY

1. Paid vacation time is earned through an employee's years of service. Vacation accrues as follows:

<u>Company Service</u>	<u>Hours per Month</u>	<u>Annual Hours</u>
0 years but, less than 2 years	6.67	80
2 years but, less than 3 years	7.33	88
3 years but, less than 4 years	8.00	96
4 years but, less than 5 years	8.67	104
5 years but, less than 6 years	9.33	112
6 years and over	10.00	120
9 years and over	10.67	128
10 years and over	11.33	136
11 years and over	12.00	144
12 years and over	12.67	152
13 years and over	13.33	160

- Exempt employees hired in with at least six years of full-time, job related industry experience will accrue at the rate of 10 hours per month (e.g., 6 years & over accrual rate). Any exempt employee hired in with less than six years of full-time, job related industry experience will be slotted to the appropriate monthly accrual, based on "full years" of prior full-time, job related industry experience as of their hire date. Each January they will be moved to the next appropriate monthly accrual until they reach the 6 year accrual rate. All future accruals will be based on actual Microchip service (e.g. 9 years and over accrual requires 9 years of MCHP service). All exempt employees as of January 1, 2007 were grandfathered into this provision of the policy based on this criteria.
- Vacation years change on the anniversary of the date of hire by Microchip. Part-time employees and full time employees working less than a 40-hour week earn a prorated amount based on the number of hours the employee regularly works.
- Vacation does not accrue when an employee is no longer active on the payroll system due to an approved leave of absence. (Refer to Family and Medical Leave of Absence & Other Leaves of Absence policy, HR-290).
- Vacation accrues monthly from January 1 through December 31. Employees are allowed to "borrow" vacation that will accrue within the current calendar year.
- Each year between December 24 and December 31 an employee may borrow vacation from the next calendar year with Supervisor approval.

Microchip may elect to handle individual circumstances on a case-by-case basis at the sole discretion of the company.

MICROCHIP TECHNOLOGY INC.
Human Resources Policies

Vacations

Policy No.: HR-300

Issue Date: 09-30-91

Page 2 of 4

Revised: 11-05-08

- The standard is that all vacation time must be used by December 31 or forfeited with the following exceptions:
 - Exception granted for unused vacation time due to a business requirement that prohibited the employee from taking a planned vacation.
 - Exception per approval by the department manager for an employee to roll vacation hours over to the first calendar quarter of the next year (4th fiscal quarter). Each situation will be evaluated for practicality, feasibility, cost, coverage issues and any impact to business.
 - Approved "carry-over vacation time" must be used by March 31 of the next year (4th fiscal quarter) or forfeited.
 - A different rule applies for California residents, who should refer to #6 for carry over specifics.
- Employees (hourly & non-exempt) on a Compressed Work Week (CWW) schedule will accrue based on their scheduled shift (excluding gowning time; e.g., a production specialist working 11.75 hours with gowning time will take 11.6 hours of vacation time (11.75 hours without gowning = 11.6 hours):

Vacation Accruals	All CWW Shifts	CWW - 11.6		CWW - 11.75		CWW - 11.85		CWW - 12.00	
Period of Employment	CWW Annual Days	CWW Hours Accrued Per Month	CWW Annual Hours Accrued	CWW Hours Accrued Per Month	CWW Annual Hours Accrued	CWW Hours Accrued Per Month	CWW Annual Hours Accrued	CWW Hours Accrued Per Month	CWW Annual Hours Accrued
0 up to 2 yrs	7.0	6.77	81.20	6.85	82.25	6.91	82.95	7.00	84.00
2 up to 3 yrs	7.7	7.44	89.32	7.54	90.48	7.60	91.25	7.70	92.40
3 up to 4 yrs	8.4	8.12	97.44	8.23	98.70	8.30	99.54	8.40	100.80
4 up to 5 yrs	9.1	8.80	105.56	8.91	106.93	8.99	107.84	9.10	109.20
5 up to 6 yrs	9.8	9.47	113.68	9.60	115.15	9.68	116.13	9.80	117.60
6 up to 9 yrs	10.5	10.15	121.80	10.28	123.38	10.37	124.43	10.50	126.00
9 up to 10 yrs	11.2	10.83	129.92	10.97	131.60	11.06	132.72	11.20	134.40
10 years	11.9	11.50	138.04	11.65	139.83	11.75	141.02	11.90	142.80
11 years	12.6	12.18	146.16	12.34	148.05	12.44	149.31	12.60	151.20
12 years	13.3	12.86	154.28	13.02	156.28	13.13	157.61	13.30	159.60
13 years	14.0	13.53	162.40	13.71	164.50	13.83	165.90	14.00	168.00

2. Vacation pay is paid at an employee's current base rate plus applicable differentials.

- There is no payment in lieu of vacation time except upon termination. At that time, only unused accrued vacation time is paid out.
- If an employee leaves the company and has used more vacation time than accrued, the final paycheck will be adjusted to deduct this time. If more is owed than the total of the final paycheck (more vacation time used than hours worked in the last pay period), the employee will be required to pay the amount owed to Microchip at the time of separation.

Microchip may elect to handle individual circumstances on a case-by-case basis at the sole discretion of the company.

MICROCHIP TECHNOLOGY INC.
Human Resources Policies

Vacations

Policy No.: HR-300

Issue Date: 09-30-91

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Revised: 11-05-08

3. New hires, for the first calendar year of employment accrue and can borrow vacation based on the following schedules: (Exempts refer to section #1 for specifics on vacation monthly accruals)

Dates of Hire	*SWW- 8.0	**CWW- 11.6	CWW- 11.75	CWW- 11.85	CWW- 12.00
Jan 01 – Jan 15	80.0	81.20	82.25	82.95	84.00
Jan 16 – Feb 15	73.3	74.47	75.35	76.01	77.00
Feb 16 – Mar 15	66.7	67.70	68.50	69.10	70.00
Mar 16 – Apr 15	60.0	60.93	61.65	62.19	63.00
Apr 16 – May 15	53.3	54.16	54.80	55.28	56.00
May 16 – Jun 15	46.6	47.39	47.95	48.37	49.00
Jun 16 – Jul 15	40.0	40.62	41.10	41.46	42.00
Jul 16 – Aug 15	33.3	33.85	34.25	34.55	35.00
Aug 16 – Sep 15	26.7	27.08	27.40	27.64	28.00
Sep 16 – Oct 15	20.0	20.31	20.55	20.73	21.00
Oct 16 – Nov 15	13.3	13.54	13.70	13.82	14.00
Nov 16 – Dec 15	6.60	6.77	6.85	6.91	7.00

*Standard Work Week

**Compressed Work Week

4. In order to satisfy employee preferences as well as meet the staffing needs of departments, vacation plans should be discussed and approved by the employee's supervisor at least 24 hours before the beginning of your shift. It is recommended that an employee try to give as much notice to their supervisor as possible when scheduling vacation.
- Although attempts are made to grant vacation requests, there are occasions when requests are denied due to scheduling and/or business requirements.
 - If more than one employee in an area requests the same vacation time, priority will be given in the chronological order of the requests.
 - The company may in certain instances schedule an employee to use vacation at its discretion (i.e. shutdown).
 - Vacation and/or personal absence (PA) accruals must be used by non-exempts to cover all time off (exception for bereavement), until all such available time is exhausted to ensure hours recorded match hours scheduled. For example:
 - CWW employees taking a partial day off must record actual hours worked plus vacation or PA time to fill to their full schedule, including any gowning time; e.g., an employee whose schedule with gowning totals 11.75 hours in a day works 5.75 hours, but must fill the remainder of the day with 6 hours vacation or PA to total 11.75 hours.
 - CWW employees taking a whole day off must record scheduled hours less any built-in gowning time; e.g., as with the above example, the employee works 11.75 daily with gowning, so 11.6 (11.75 without gowning = 11.6) hours must be recorded as vacation or PA. If scheduled hours total 11.75 hours per day and this does not include gowning, then 11.75 hours must be used for vacation.
5. All employees who were actively employed at TelCom Semiconductor, Inc. on the date of the acquisition (1/16/01) were grandfathered for vacation accrual under their existing policy.
6. For employees that reside in the State of California, Microchip will allow employees in CA to carryover and accrue up to a maximum of thirty (30) days (240 hours). Once an employee

Microchip may elect to handle individual circumstances on a case-by-case basis at the sole discretion of the company.

MICROCHIP TECHNOLOGY INC.
Human Resources Policies

Vacations

Policy No.: HR-300

Issue Date: 09-30-91

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Revised: 11-05-08

reaches this level no new vacation will be earned or accrued until the accrued unused balance falls below 240 hours.

7. It is the employee's responsibility to ensure that their Kronos timecard is accurate when submitted to payroll. Any discrepancies on timecards with respect to vacation pay will be corrected on the next regularly scheduled payroll processing.
8. It is the responsibility of the employee and his/her supervisor to track used and accrued vacation time.
9. This policy will be enforced with respect to all Federal and State laws.

<u>Cross Reference</u>	<u>HR Policy No.</u>
Personal Absence Pay	HR-250
FMLA & Other LOAs	HR-290
Bridging of Service	HR-340

Microchip may elect to handle individual circumstances on a case-by-case basis at the sole discretion of the company.

MICROCHIP TECHNOLOGY INC.
Human Resources Policies

Holidays

Policy No.: HR-310

Issue Date: 09-30-1991

Page 1 of 2

Revised: 03-10-2009

INTENT

Under certain provisions, time off and/or compensation is provided to employees as a result of company observed holidays.

DEFINITION

Employment is considered full time if the employee works 32 or more hours a week. Employment is considered part time if an employee works less than 32 hours a week.

POLICY

1. Provided all provisions of this policy are met, paid time off is provided for regular full-time employees, at their current rates of pay plus applicable differential for the following 10 assigned holidays:

Standard Shifts

- | | |
|--------------------|--|
| - New Year's Day | - Thanksgiving Day |
| - Good Friday | - Day after Thanksgiving |
| - Memorial Day | - Christmas Eve |
| - Independence Day | - Christmas Day |
| - Labor Day | - Floating Holiday (assigned by the company) |

Compressed Workweek (CWW)

- | | |
|--------------------|--------------------------|
| - New Year's Eve | - Labor Day |
| - New Year's Day | - Thanksgiving Day |
| - Easter | - Day after Thanksgiving |
| - Memorial Day | - Christmas Eve |
| - Independence Day | - Christmas Day |

2. Dates of holiday observances are determined annually and published on a fiscal workweek calendar available to all employees at the beginning of the year.
3. If the date set to observe the holiday falls on a day an employee is not scheduled to work, the employee will be paid 8 hours holiday pay.
4. If a nonexempt employee is required to work on a scheduled holiday, straight time is paid for each hour worked (full and part time employees). In addition, full time employees receive 8 hours of holiday pay (paid at straight time).
5. QUALIFYING FOR HOLIDAY PAY:

- An employee must be on active payroll to be eligible for holiday pay. (i.e. leaves of absences)
- CWW employees scheduled to work a holiday must work the holiday or have approved time off to receive the holiday pay.
- Approved time off includes vacation, scheduled PA (for non-exempts), bereavement, paid military time (for both training and active duty), and jury duty (instead of actual hours worked).
- Supervisors have the discretion to allow the usage of PA Charged hours and still pay holiday pay; for example if a partial shift worked. Certain business considerations may allow for approval of the use of PA Charged time on a holiday and still approve payment of holiday time. Payroll will default to not paying holiday pay when PA Charged time is

Holidays

Policy No.: HR-310

Issue Date: 09-30-1991

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Revised: 03-10-2009

used. Therefore, in any case PA Charged time is used on the actual holiday the supervisor should use the pay code "PA Holiday" or "PA Holiday Multiple" if they want the employee to receive the holiday pay.

- For Christmas Eve, Christmas Day, New Year's Eve, and New Year's Day; a regular full-time employee may obtain supervisor approval to take time off 'unpaid' and still allow payment of holiday pay. Unpaid time should only be utilized if the employee has depleted their current year of vacation allocation and scheduled PA and opt not to borrow vacation from the next year.
6. CO-OP (excluding Interns and COE Students)
 - A co-op employee that works a standard shift is eligible for holiday pay if they work the regularly scheduled shift before and after the holiday, even if separated by a weekend.
 7. CWW employees with approved time off on a holiday must keep their scheduled day whole by using a combination of holiday and vacation pay or scheduled PA. They have the option to supplement the 8 hours of holiday pay by using enough hours of vacation or scheduled PA pay to cover the additional hours needed to equal their regular shift (i.e. 11.6-hour CWW employee uses 3.6 hours of vacation/PA time + 8 hours of holiday pay). An alternative option is to use vacation or scheduled PA pay equivalent to your regular shift plus receive 8 holiday hours (i.e., 11.6 hours vacation/PA + 8 hours holiday pay). Whichever one of these two options is selected it must be clearly identified by employee on their Kronos timecard.
 8. It is all employees' responsibility to complete their timecards accurately. Any discrepancies on timecards will be corrected on the next regularly scheduled payroll processing.
 9. SHUTDOWNS: If the company imposes a shutdown and a holiday falls within the shutdown period the company may provide 8 hours of holiday pay to all eligible employees.
 10. For fulltime employees that work less than a 40-hour week, holiday pay will be equivalent to their regularly scheduled hours. The holiday must also fall on his/her regularly scheduled workday. Holidays that fall on non-scheduled workdays will not be paid. Example if scheduled Monday-Friday 6 hours per day = 6 hours of holiday pay of if scheduled Tuesday-Friday 8 hours per day = 8 hours of holiday pay for holidays that fall on Tuesday-Friday only.

<u>Cross Reference</u>	<u>HR Policy No.</u>
Overtime	HR-230
Personal Absence Pay	HR-250
Vacations	HR-300

BIWEEKLY EMPLOYEE COST - OR

Benefit Plans	Employee Only	Employee Plus Spouse	Employee Plus Children	Employee + Spouse + Less than 4 Children	Employee + Spouse + 4 or More Children
Preferred PPO	\$25.42	\$76.28	\$64.40	\$105.12	\$126.74
High (\$150) PPO/Indemnity	\$29.68	\$81.80	\$64.73	\$112.29	\$137.86
Medium (\$500) PPO/Indemnity	\$21.57	\$60.61	\$47.84	\$82.49	\$101.04
Basic (\$1000) PPO/Indemnity	\$6.93	\$19.18	\$19.10	\$20.81	\$26.93
Kaiser HMO	\$29.54	\$59.08	\$53.17	\$88.62	\$88.62
Alternative Health Care	\$1.85	\$2.19	\$2.42	\$3.12	\$3.12
MetLife Low Dental	\$0.00	\$5.48	\$5.21	\$14.95	\$14.95
MetLife High Dental	\$3.79	\$9.42	\$8.52	\$24.42	\$24.42
ARAG Group Legal Plan	N/A	N/A	N/A	\$8.70	\$8.70
EyeMed Vision Plan	\$2.53	Employee + 1 \$4.68	N/A	\$7.33	\$7.33

MICROCHIP

Trip Reduction Program

- Preferential parking for Car Pool or Van Pool Drivers
- Bicycle Racks



- Microchip pays half of the bus fare you use for commuting



- Guaranteed Ride Home

If you or your carpool partner are ill or you must work overtime MCHP will pay for your ride home.

- Questions?

Please contact Alan Abbott at ext 7444

Ex.



MULTNOMAH COUNTY

AGENDA PLACEMENT REQUEST (short form)

Board Clerk Use Only

Meeting Date: 05/07/09
Agenda Item #: R-9
Est. Start Time: 10:10 AM
Date Submitted: 04/29/09

Agenda Title: Financial Condition Report of Multnomah County 2009

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.

Requested Meeting Date: May 7, 2009
Amount of Time Needed: 30 minutes
Department: Non Departmental
Division: Auditors Office
Contact(s): Judy Rosenberger
Phone: 503/988-83320 **Ext.** 83320 **I/O Address:** 503/601
Presenter(s): Sarah Landis, Deputy Auditor, Judith DeVilliers Principal Auditor

General Information

1. What action are you requesting from the Board?
Board Briefing
2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.
3. Explain the fiscal impact (current year and ongoing).
4. Explain any legal and/or policy issues involved.
5. Explain any citizen and/or other government participation that has or will take place.

Required Signature

Elected Official or
Department/
Agency Director:

Date: 04/29/09



Craig Stroud
Multnomah County Interim Auditor
501 SE Hawthorne Room 601
Portland, Oregon 97214
Phone: (503) 988-3320

Date: April 30, 2009

To: Ted Wheeler, Multnomah County Chair
Deborah Kafoury, Commissioner, District 1
Jeff Cogen, Commissioner, District 2
Judy Shiprack, Commissioner, District 3
Diane McKeel, Commissioner, District 4

From: Sarah Landis, Deputy Auditor
Judith DeVilliers, Principal Auditor

Subject: Financial Condition Report

We are pleased to present the *2009 Financial Condition Report on Multnomah County*, our 9th biennial review. A government whose financial condition is strong can successfully manage economic downturns, adapt to meet changing service needs, and provide continuity of services to the public. The report provides public officials, managers, and residents with an independent perspective and analysis of these challenges. The objective of this report is to evaluate the financial condition of Multnomah County government using the Financial Trend Monitoring System developed by the International City and County Management Association (ICMA) and indicators developed by the Government Accounting Standards Board (GASB).

It is important to note that because this report covers the financial period from FY99 through FY08, it does not reflect the current troubling economic situation or its impact on county revenues. However, it does provide valuable historical information about the county's financial health and identifies areas that need attention.

A number of interesting trends in this year's report are worth highlighting:

- The condition of the economy at the national, state, and local levels continues to have an impact on the county's ability to manage day-to-day operations and provide services. This includes providing public safety services, sustaining programs for the county's most vulnerable residents, and maintaining general services such as public health, roads, bridges, libraries, elections, and animal services.
- Over time, the proportion of operating revenues from intergovernmental sources has grown to be the county's largest single source of revenue. These funds, mainly state and federal dollars, are generally designated for specific programs. As a result, the county is more dependent on these revenues to provide services, has less discretion over how these funds are spent, and must respond to fluctuations in these external revenue sources.
- The county must continue to balance its responsibility to provide for both current and future needs, including stabilizing the deteriorating infrastructure of roads, bridges, and county buildings. Future liabilities in the form of debt and unfunded obligations – such as Other Post Employee Benefits (OPEB) – need to be planned for now, rather than put off until a future date.

In recent years, the Board of County Commissioners has been faced with a number of difficult choices with regard to the funding of county programs and services. The Board responded in a responsible and deliberative manner and maintained its commitment to the long-term financial health of the county. We encourage the Board to continue its proactive stewardship of county funds even as it faces difficult budget decisions and shaky economic times.

Introduction

This is the ninth report completed by the Auditor's Office on the financial condition of Multnomah County. The report is issued biennially and covers indicators for a ten-year period. These measures are commonly used by local governments to demonstrate their ability to fund services on a continuing basis. A local government in good financial condition can continue to provide services to the public, withstand economic slumps, and meet the demands of changing service needs.

The Auditor's Office looked at measures of resources coming into the county, how these resources were used, and the county's financial health over time. We also included indicators showing changes in population and the economy, as well as how those changes can affect county services.

Since we began issuing these reports, the county has undergone major shifts in the property tax system and assumed responsibility for some state human service and public safety programs. The county has responded to these challenges by developing policies to provide for the financial health of county government to better serve the public.

This report shows financial indicators over a ten-year period. However, we found it interesting to look at revenues over the last twenty years to see how the county got to where it is today. Chart 1 below shows operating revenues over twenty years; these include revenues from all funds used to pay for on-going services but not bond proceeds for capital projects or some pass-through revenues collected for other governments. (For further details see Appendix 2).

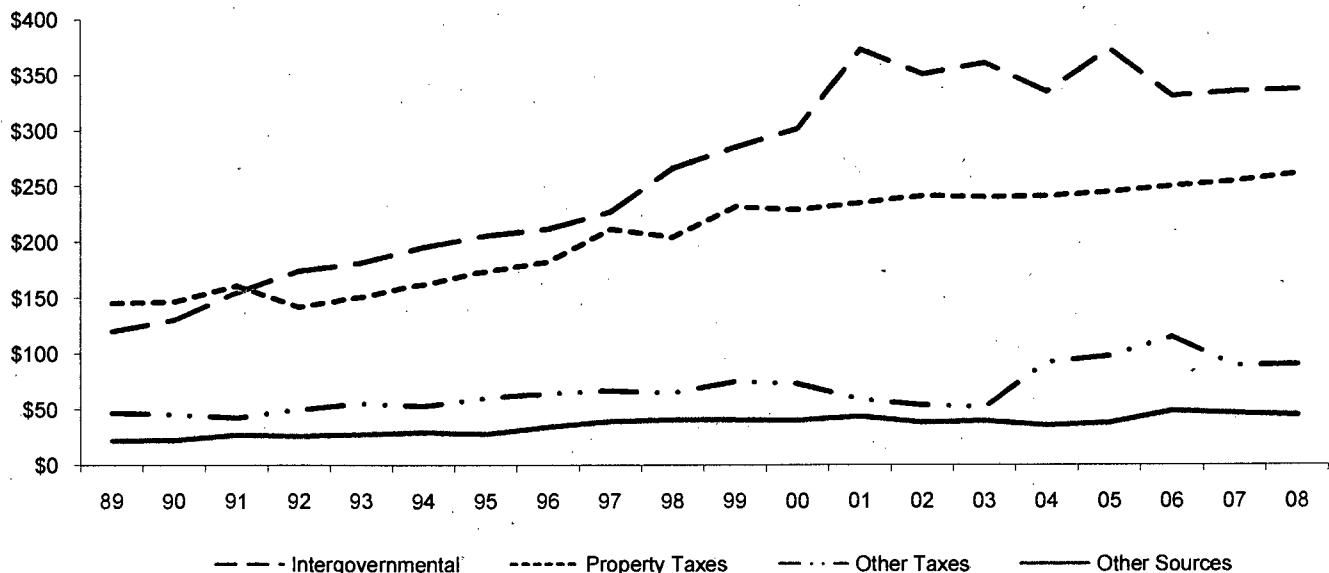
Intergovernmental revenues increased until 2001 as the county took on the responsibility for many state run programs, such as probation and parole in 1992, increased criminal justice services for felony offenders in 1997, and disability services in 1998. As a result of these changes, the county has become more dependent on these resources and has limited discretion over how they are spent.

Property taxes also have grown over the last twenty years, although at a reduced pace over the last ten due to property tax limitation measures. Other taxes and other sources have increased more slowly. The increase in other taxes for FY04 through FY06 was from the county's temporary personal income tax (ITAX).

Chart 1 Total Operating Revenues by Source

Fiscal year ended June 30

Adjusted for inflation (in millions)



County Revenues

Chart 2 Total Operating Revenues

Fiscal year ended June 30
Adjusted for inflation (in millions)

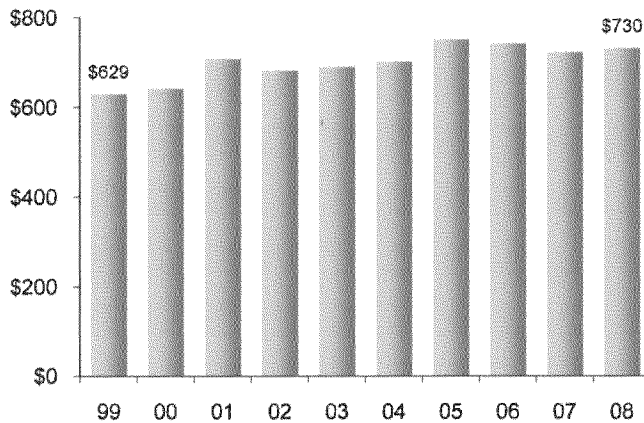


Chart 3 Total Operating Revenues by Source

Fiscal year ended June 30, 2008

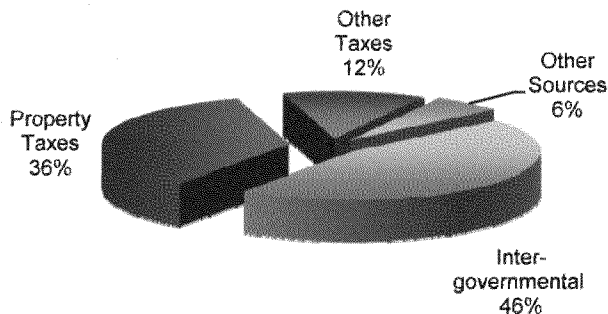
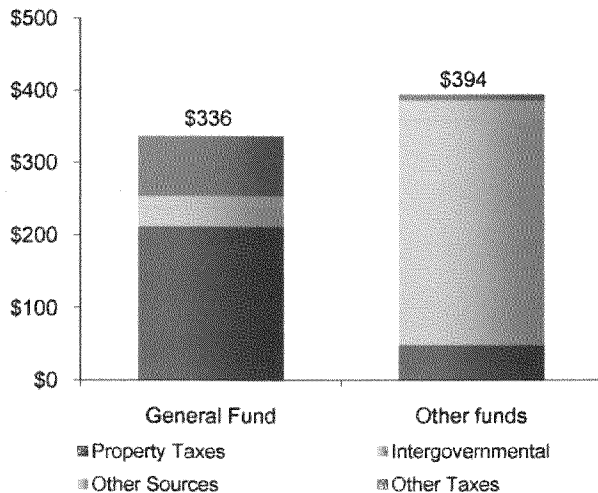


Chart 4 Total Operating Revenues by Fund

Fiscal year ended June 30, 2008 (in millions)



Operating Revenues

Since we began reporting on the county's financial condition, the nature of county services changed as responsibility for maintaining all parks and some roads was transferred to other local governments. In addition, the county took over responsibility for community justice programs and for additional health and human service programs from the state.

Consequently, the county has become more dependent on intergovernmental revenues, primarily federal and state resources, which increased 18% over the last 10 years.

Most intergovernmental revenues are restricted to specific programs. The county has discretion for much of the revenues from property taxes, other taxes, and other sources.

Overall, the county increased total operating revenues by \$101 million, from \$629 million in FY99 to \$730 million in FY08 (adjusted for inflation).

Operating Revenues by Fund

In FY08, 46% of the county's operating revenues were accounted for in the General Fund, with the remainder in other funds. The largest of these is the Federal and State Program Fund, which accounts for most of the intergovernmental revenues. The county has more discretion over General Fund spending because other funds are dedicated to specific programs or services.



Multnomah Building Green Roof

County Revenues

Budgeting County Revenues

Revenue shortfalls measure how well the county estimates expected revenues each year. Significant shortfalls could require mid-year cuts of services or spending of reserve funds since Oregon budget law does not allow deficit spending. Revenues have exceeded estimates in the last few years.

Short-term Revenues

The county's budget is reliant on short-term revenues to finance on-going operations, primarily the libraries. Also, in FY04 - FY06 the ITAX allowed the county to continue services which had lost federal and state funding. It is the intent of the Board to use short-term and one time only revenues to fund priority services only after all other sources have been determined to be unfeasible.

Intergovernmental Revenues

Federal and state policies shifted more responsibilities to lower levels of government to increase local control over service delivery. Intergovernmental revenues increased significantly from FY89 to FY01 (see Chart 1). Revenue decisions made in Salem or Washington, DC have a large impact on the county's budgeting decisions. When these revenues decrease, the county is forced to find additional revenues or cut services.

Most of the increases in the last ten years were used for health and human service programs.

Chart 5 Revenue Shortfalls

As a percent of budgeted revenues

Fiscal year ended June 30

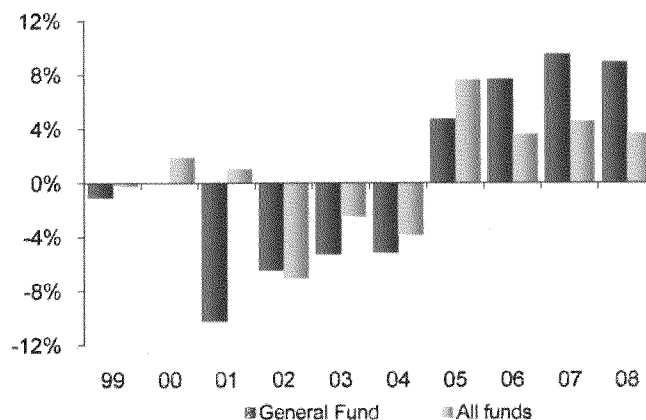


Chart 6 Short-term Revenues

Fiscal year ended June 30

Adjusted for inflation (in millions)

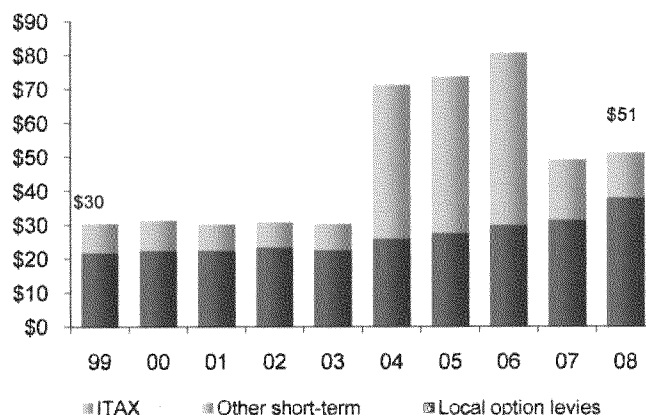


Chart 7 Intergovernmental Revenues

Fiscal year ended June 30

Adjusted for inflation (in millions)

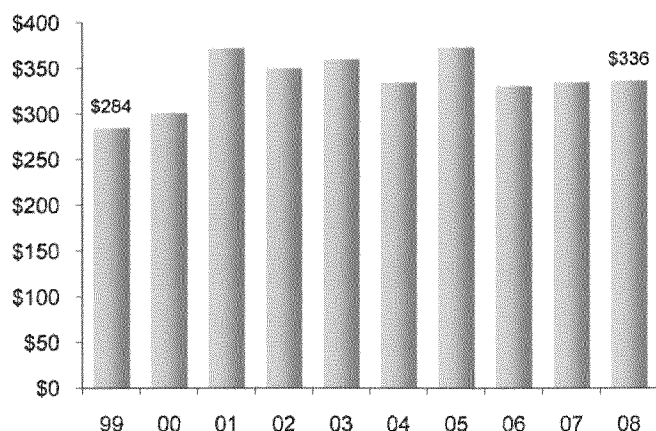
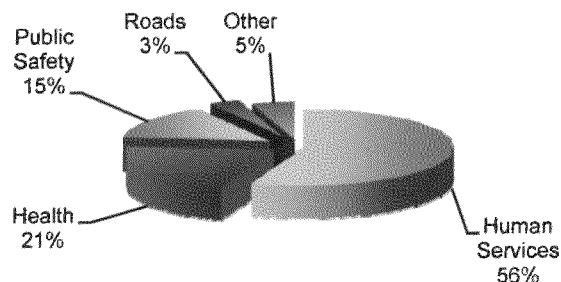


Chart 8 Intergovernmental Revenues by Program Area

Fiscal year ended June 30, 2008



County Revenues

Chart 9 Property Tax Revenues

Fiscal year ended June 30
Adjusted for inflation (in millions)

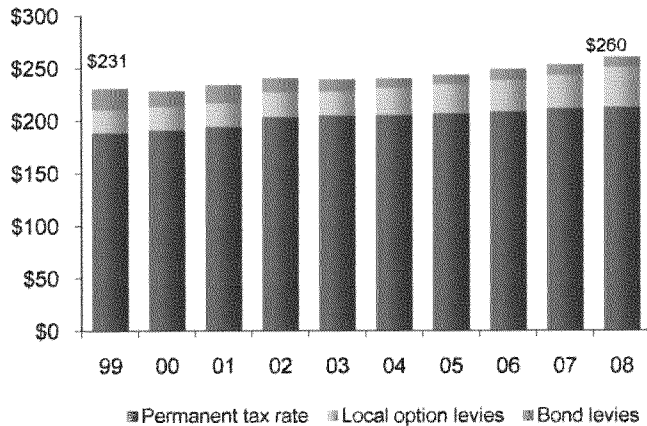


Chart 10 Other Revenues

Fiscal year ended June 30
Adjusted for inflation (in millions)

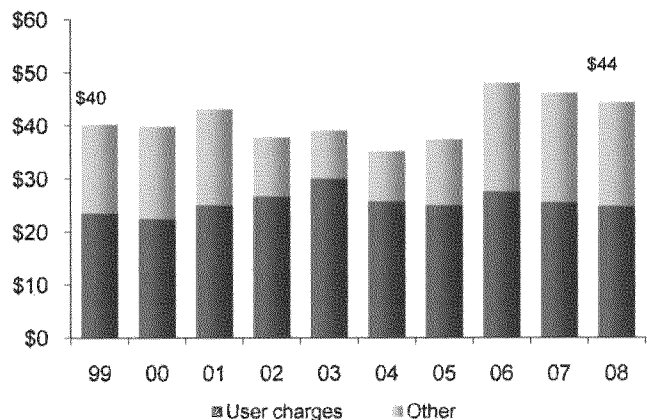
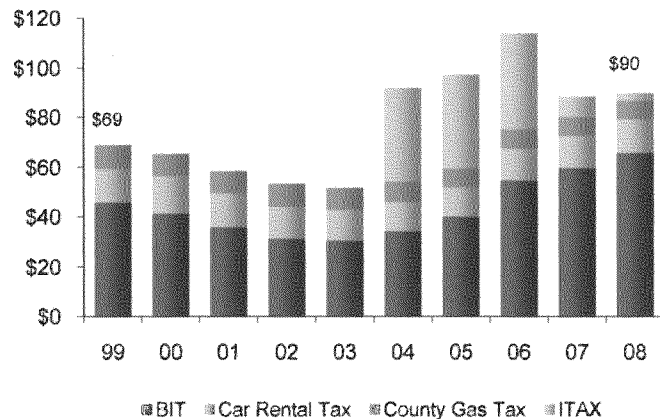


Chart 11 Other Taxes

Fiscal year ended June 30
Adjusted for inflation (in millions)



Property Tax Revenues

In total, property tax revenues increased 13% from FY99 through FY08. About 82% of property taxes in FY08 was for general county operations. The voter approved local option and bond levies are dedicated to specific uses.

County local option levies for library operations increased 74% over the last ten years. Voters approved a new levy of about \$35 million per year in November 2006. Payment on the general obligation debt has reduced the bond levies from \$20 million to \$9 million over the last ten years (adjusted for inflation).

Other Revenues

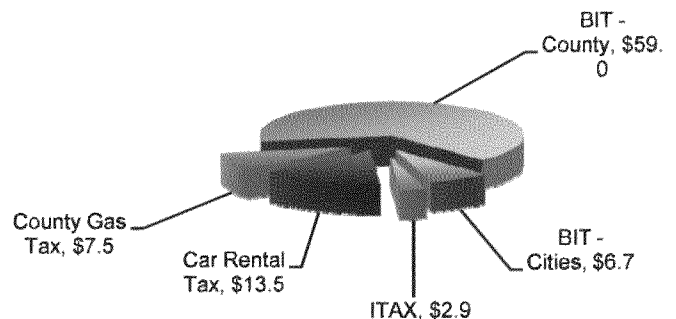
User charges include fees and charges intended to recover the cost of services whenever possible. Other income from fines, non-governmental grants, donations, and interest income varies and may be affected by the economy.

Other Taxes

Other taxes include the Business Income Tax (BIT) and Car Rental Tax which are unrestricted. About 10% of the BIT is passed through to east county cities. The county gas tax is dedicated to roads and bridges. The temporary income tax (ITAX) is dedicated to specific uses. The ITAX in this chart includes only the county's share; school districts received approximately 69% of ITAX revenues collected.

Chart 12 Other Taxes

Fiscal year ended June 30, 2008 (in millions)

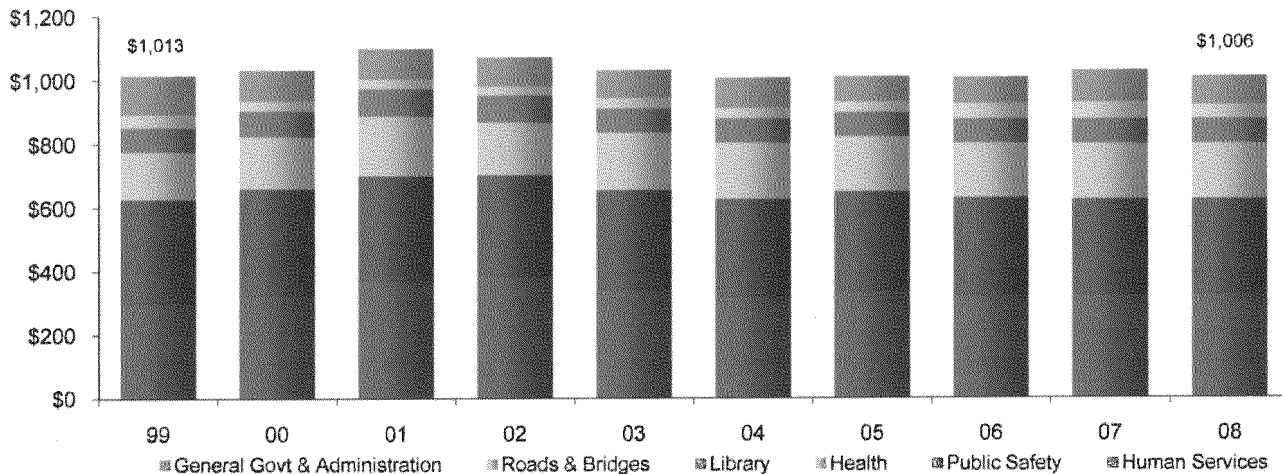


County Spending

Chart 13 Spending Per County Resident

Fiscal year ended June 30

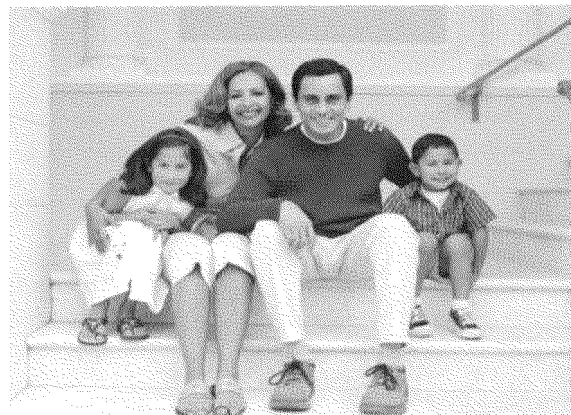
Adjusted for inflation



Total Spending Per County Resident

Total spending per county resident has been stable over the last ten years: \$1,013 in FY99 and \$1,006 in FY08, when adjusted for inflation. Total spending decreased about 1% from FY99 to FY08, while total county population increased 9% over this ten-year period.

The economic downturn after FY01 had an impact on county services. The county was forced to cut programs and services when federal and state funding decreased and BIT revenues declined. FY04 through FY06 include approximately \$38 million per year in spending from the three-year temporary ITAX.

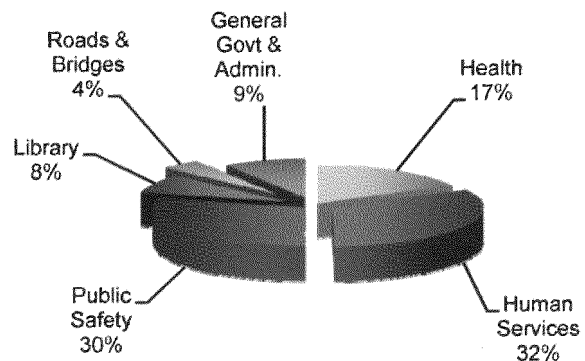


Spending by Program

In FY08, about half of spending was for health and human service programs. Public safety programs, which include jails, community justice programs, and prosecution, made up 30%. The remaining 21% was for programs which serve most citizens: library services; road and bridge operations and maintenance; and general government services, such as animal control, elections, property tax assessment and collection, emergency management, and land use planning.

Chart 14 Spending by Program

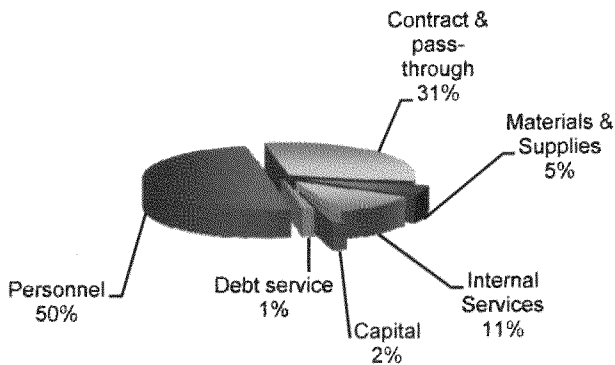
Fiscal year ended June 30, 2008



County Spending

Chart 15 Spending by Type

Fiscal year ended June 30, 2008



Spending by Type

Personnel costs, which include salaries, benefits, and other related costs, is the largest category of spending for operations.

Contracted services and pass-through represent 31% of the county's spending for operations. Many services are provided by non-profit organizations, which contract with the county to provide services to citizens.

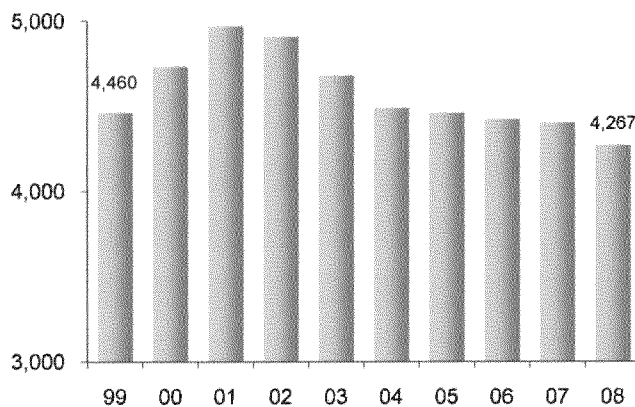
Internal services are those provided internally by the county, such as building maintenance, motor pool, telecommunications, information technology, and mail and distribution services.

Materials and supplies, capital spending, and debt service make up the remainder of spending categories for county operations.

Chart 16 County Employees

Total FTE

Fiscal year ended June 30



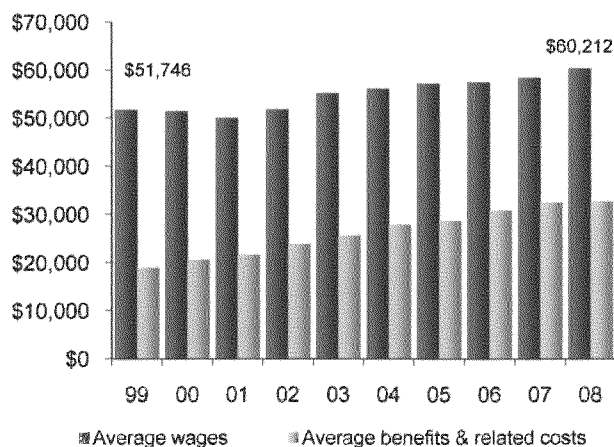
Number of Employees

The county experienced a total increase in full time equivalent employees (FTE actual hours worked) of 11% from FY99 to FY01 as new programs and services were added. However, as the economy declined, the total FTE was reduced by 701 between FY01 and FY08.

Chart 17 Wages, Benefits and Other Costs

Averages per FTE, adjusted for inflation

Fiscal year ended June 30



Wages and Benefits

Chart 17 shows average wages, benefits, and other related costs. The average benefits and related costs include spending for employee benefits, social security, payroll taxes, workers compensation, and administrative costs for the Risk Management Fund. Growing health insurance costs contributed to the increased costs.

County Spending

Public Safety

Total spending for public safety was the same in FY08 as in FY99 as the county's general fund made up for lost revenues from other sources. For FY08, resources were primarily from the county's General Fund (71%). Intergovernmental sources represented 23% and other sources, including property taxes to repay the debt for public safety bonds, totaled 6%. ITAX revenues in FY04, FY05, and FY06 helped mitigate some of the effect of declining federal and state resources for public safety programs.

Spending for public safety in FY08 includes: the Sheriff's Office, which operates the county's jails and other corrections services and provides law enforcement to smaller cities and unincorporated Multnomah County; the Department of Community Justice, which provides supervision of juvenile and adult offenders in the community; the District Attorney's Office, which prosecutes criminals and protects crime victims; and debt repayment of general obligation bonds used for technical upgrades for public safety. Corrections Health spending is included with the Health Department.

Roads and Bridges

Spending for roads and bridges includes bridge operations and maintenance, road maintenance, and capital for repairs and improvements. No General Fund dollars are allocated for these functions.

Funding comes primarily from the county gas tax and state motor vehicle tax revenue sharing. The portion of revenue sharing which is passed through to cities in the county is not included here (\$23 million in FY08). Most of the other sources represent project revenues from the federal and state governments dedicated for specific capital repairs or improvements. Most of the increased spending from other sources in FY06 - FY08 was attributable to an award from the Oregon Transportation Investment Act for bridge projects.

According to the County's Transportation Division, the county is facing a \$325 million shortfall over the next 20 years.

Chart 18 Public Safety Programs

Fiscal year ended June 30

Adjusted for inflation (in millions)

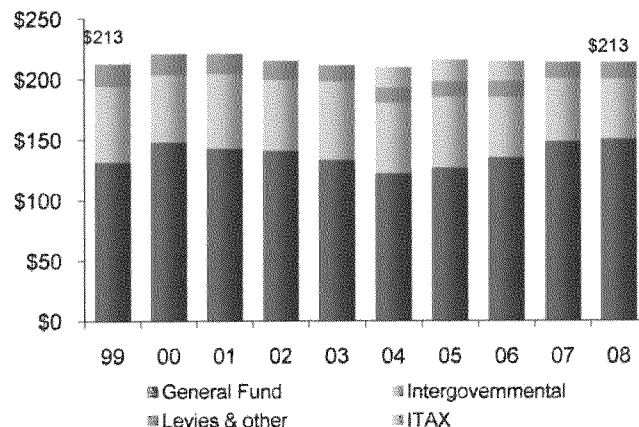


Chart 19 Public Safety by Department

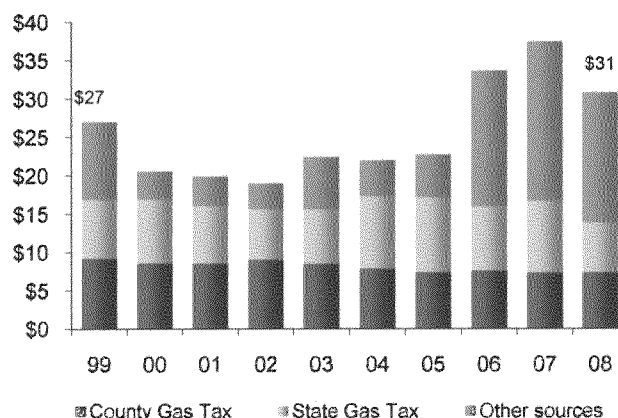
Fiscal year ended June 30, 2008



Chart 20 Roads and Bridges

Fiscal year ended June 30

Adjusted for inflation (in millions)

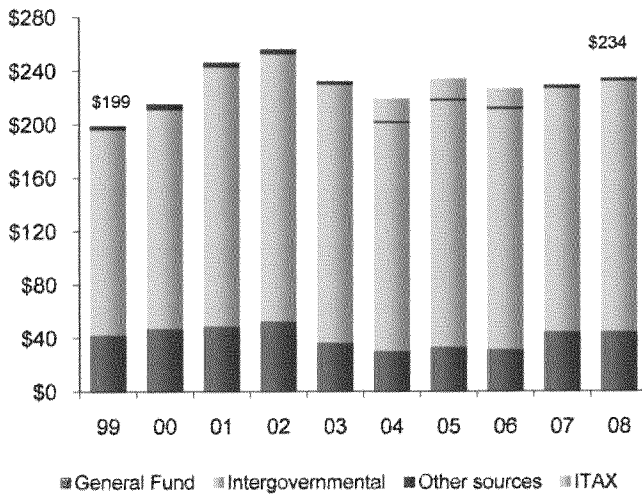


County Spending

Chart 21 Human Services

Fiscal year ended June 30

Adjusted for inflation (in millions)



Human Services

Spending on human service programs has fluctuated over the last ten years. Some of the early increases is from new or additional intergovernmental funding, primarily from state and federal sources. Overall human service programs increased by \$35 million (17%) from FY99 to FY08, when adjusted for inflation.

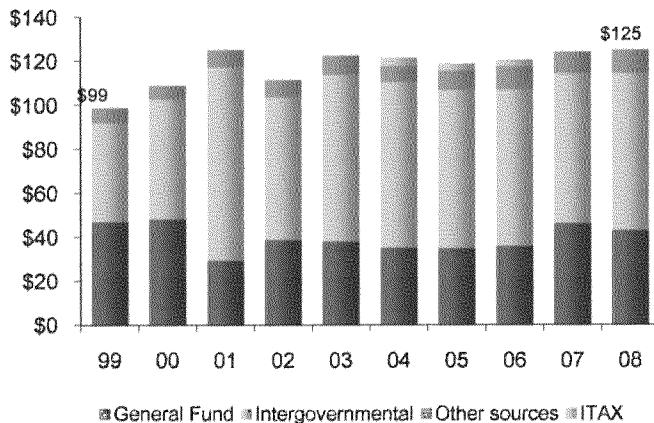
Human services are provided by the Department of County Human Services for school age children; the elderly; people with emotional, developmental, or physical disabilities; people with alcohol and drug addictions; people with mental health concerns; victims of domestic violence; and people in poverty.

In FY08, about 30% of the money to provide these services was for direct client assistance, 39% went to community-based providers, and another 31% was for county staff and other costs.

Chart 22 Health Services

Fiscal year ended June 30

Adjusted for inflation (in millions)



Health Department

The Health Department's services include medical and dental clinics, public health services, school clinics, and other health care and education services for the community. The Department also provides health care for the county's jail population. The Health Department spent about \$125 million in FY08, an increase of \$26 million (27%) from FY99, when adjusted for inflation. The Department received a large, one-time, retroactive Medicaid reimbursement in FY01.

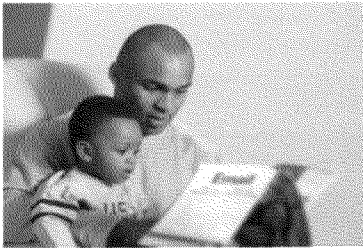
Most Health Department services are provided by county employees, including medical doctors, nurses, outreach workers, sanitarians, interpreters, epidemiologists, environmental health experts, and educators.



County Spending

Library

Multnomah County serves the public with a main library downtown and 16 library branches throughout the community. Spending for library services totaled \$55 million in FY08 and has increased 12% since FY99. Most of this increase is from five-year local option levies: one began in FY98 and another in FY03.



In November 2006, voters approved a new five-year local option levy for an average of \$35 million per year beginning in FY08 for continued

services plus opening two new branches. The debt levy shown here is for general obligation bonds for new libraries and improvements and is paid for directly by a separate property tax debt levy.

General Government

There has been very little change in the spending for general government services over the last ten years. These services include mandated services such as property tax assessment and collection, and elections. It also includes Animal Services, Land Use Planning, the County Surveyor's Office, Emergency Management, and other services.

Most general government services are funded by the General Fund, user fees and charges, and some intergovernmental sources.



Chart 23 Library Services

Fiscal year ended June 30

Adjusted for inflation (in millions)

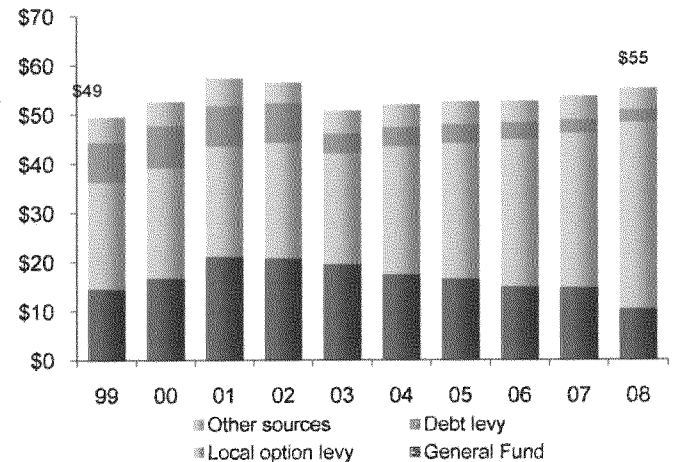


Chart 24 General Government

Fiscal year ended June 30

Adjusted for inflation (in millions)

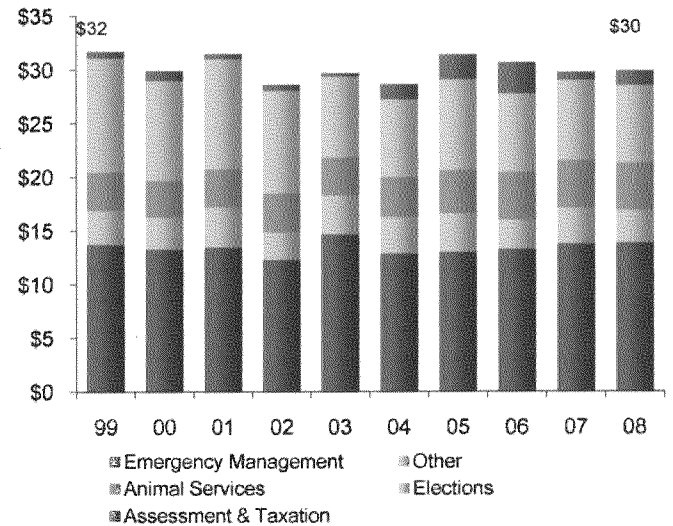
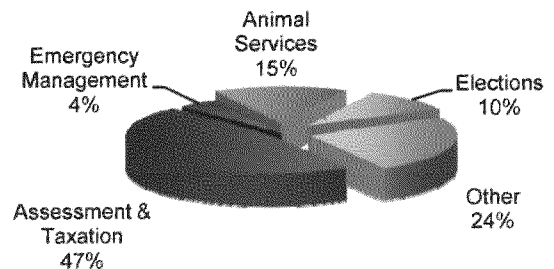


Chart 25 General Government by Program

Fiscal year ended June 30, 2008 (in millions)

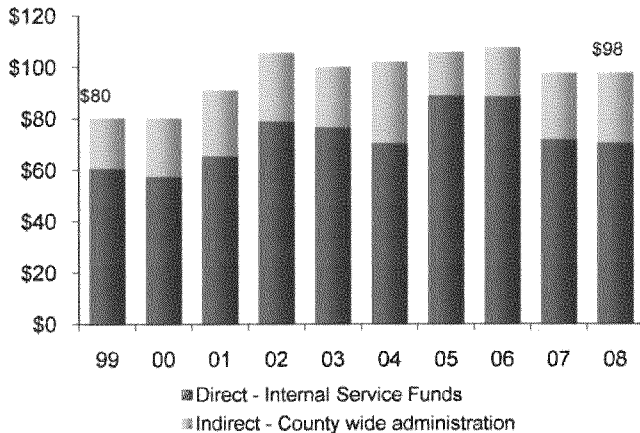


County Spending

Chart 26 Internal Services and Administration

Fiscal year ended June 30

Adjusted for inflation (in millions)



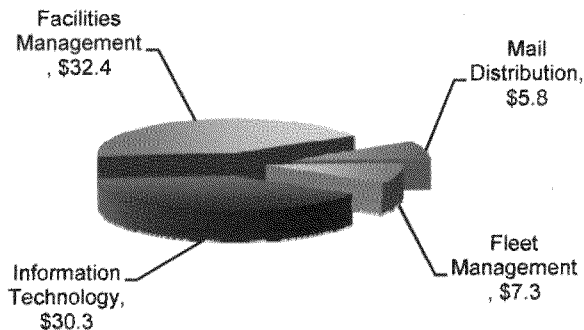
Internal Services and Administration

Spending for internal services and administration has increased 22% over the last ten years. The increases in FY05 and FY06 resulted from the county's shared services initiative which centralized some services and staff from individual departments into the Business Services Fund for those years only.

Internal services and countywide administration costs are included in county departments' total program spending. Of the total for FY08, \$71 million was charged directly to departments by internal service funds; \$27 million was for countywide administrative costs.

Chart 27 Direct - Internal Service Funds

Fiscal year ended June 30, 2008 (in millions)



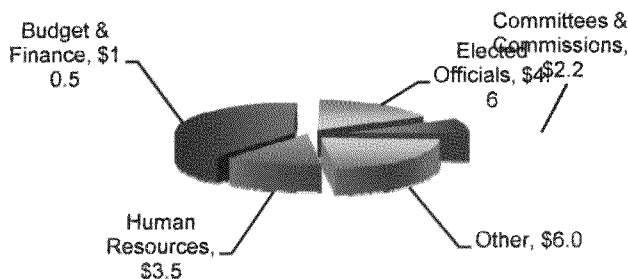
Direct - Internal Service Funds

As noted above, services provided by the Internal Service Funds are charged directly to county departments and programs. About 7% of internal service funds costs, not included in Chart 26, are charged to other governments and non-profit organizations that purchase these services. Internal Service Funds include:

- Facilities - manages all owned and leased properties
- Mail Distribution - manages mail and distribution
- Fleet - manages county vehicles and motor pool
- Information Technology - manages data processing and telephone services

Chart 28 Indirect - Countywide Administration

Fiscal year ended June 30, 2008 (in millions)



Indirect - Countywide Administration

County wide administrative costs are primarily paid by the General Fund, much of which is charged indirectly to other funds and programs through the indirect cost allocation plan.

- Elected Officials, including the Chair, Commissioners, and County Auditor's Office
- Budget & Finance also includes risk management, treasury, payroll, benefits, central stores, procurement, and SAP administration
- Central Human Resources
- Other includes Department of County Management director's office, Public Affairs, independent organizations and interest on tax anticipation notes.
- Various committees and commissions

Financial Health

Unreserved Fund Balances

The unreserved fund balance for the General Fund constitutes the amount available for county discretionary spending. For FY08, the total General Fund balance was \$51.5 million, of which \$13.5 million was designated in the budget as a reserve account. Although the General Fund's unreserved fund balance has grown, the county is facing declining revenues and increasing costs. As of January 1, 2007, the county had an unfunded liability of \$123 million for Other Post-Employment Benefits (OPEB). The OPEB provides post-employment healthcare insurance for retirees and their spouses.

General Fund Reserves

It is the goal of the Board to fund and maintain two General Fund reserves funded at approximately 5% each of the "corporate" revenues of the General Fund. For the purpose of this calculation revenues include Property Tax, Business Income Tax, Motor Vehicle Rental Tax, State Revenue Sharing (Cigarette, Liquor, Video Lottery, and Amusement Device Taxes), and Interest Earnings.

The first reserve is a budgeted reserve account designated as an unappropriated fund balance. For FY08, this reserve was 4.4% of General Fund revenues (\$13.5 million). The second reserve is maintained separately in the General Reserve Fund. For FY08, the General Reserve Fund was 4.9% of General Fund revenues (\$15 million). Since FY03 both of these reserve accounts have been funded at approximately 5% of General Fund revenues, except for the budgeted reserve in FY08.

Liquidity

The liquidity ratio compares total cash and short-term investments to current liabilities, measuring the ability to pay short-term obligations. FY99 through FY01 includes amounts from bond sales for capital projects. The credit industry considers a liquidity ratio of \$1 of cash and investments to \$1 of current obligations to be acceptable. The county had an acceptable liquidity ratio for all years shown except FY04.

Chart 29 General Fund Unreserved Fund Balance

Fiscal year ended June 30

Adjusted for inflation (in millions)

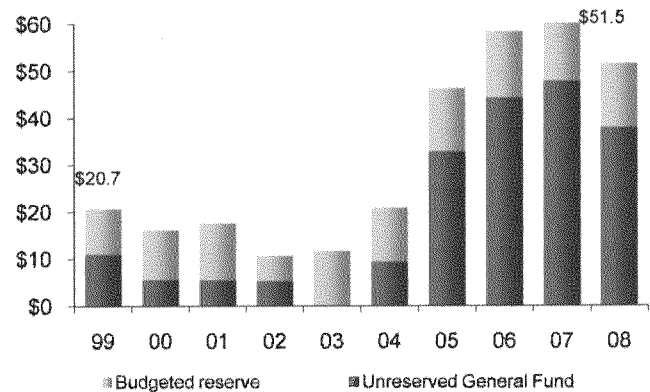


Chart 30 General Fund Reserves

As a percent of budgeted General Fund revenues

Fiscal year ended June 30

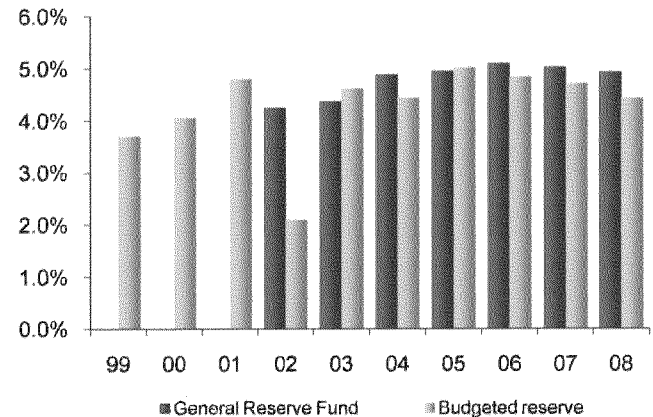
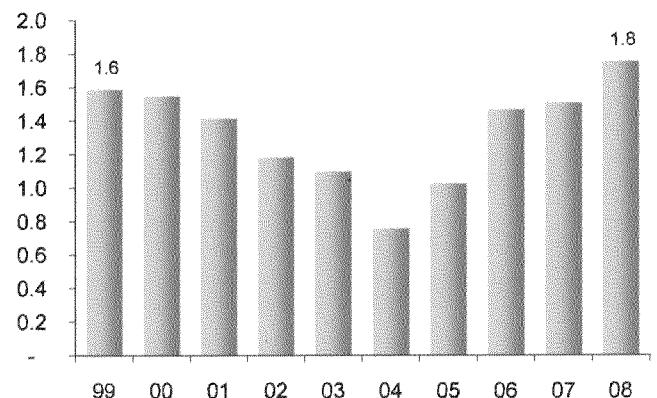


Chart 31 Liquidity

Current assets to current liabilities

Fiscal year ended June 30



Financial Health

Chart 32 Capital Assets

Fiscal year ended June 30
Adjusted for inflation (in millions)

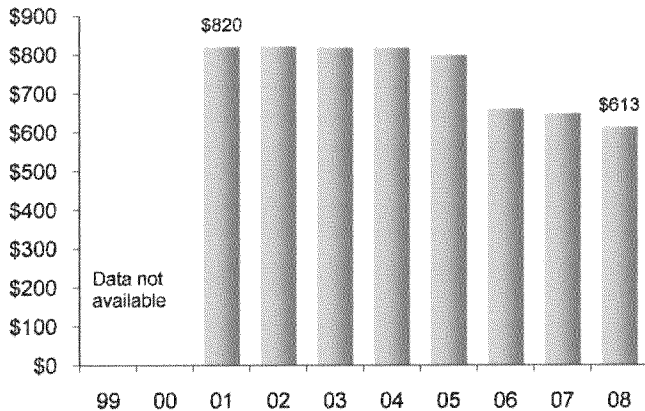


Chart 33 Capital Spending

Fiscal year ended June 30
Adjusted for inflation (in millions)

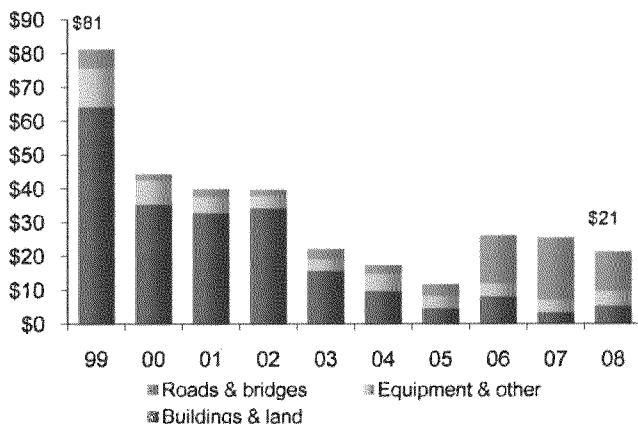
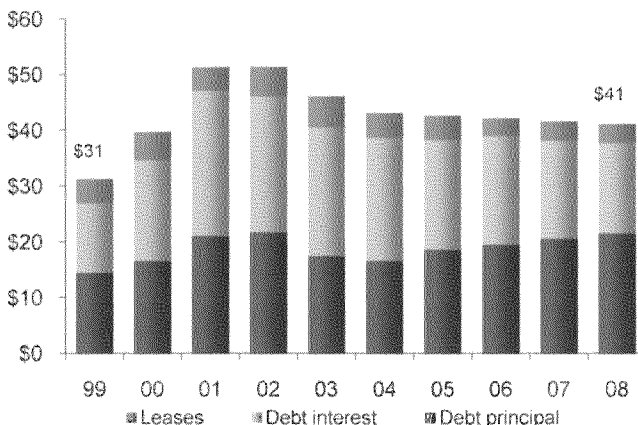


Chart 34 Fixed Costs

Fiscal year ended June 30
Adjusted for inflation (in millions)



Capital Assets

Capital assets include land, buildings, equipment, and infrastructure to provide county services. Accounting standards require that assets are reported in financial statements at their original purchase or construction costs minus accumulated depreciation. Replacement value for assets would be substantially more than the depreciated values.

The decrease from FY05 to FY06 resulted from the transfer of 50 miles of county roads to the City of Gresham. Facilities identified a deferred maintenance and seismic liability of approximately \$120 million for county buildings in 2004.

Capital Spending

Capital spending has been decreasing since FY99. Prior years' capital spending included purchase, construction, and remodeling of jails, libraries, an east county health and aging facility, and the county's administration building. The spending increase for roads and bridges in FY06 - FY08 was for bridge construction.



Bridge Construction on the New Sauvie Island Bridge

Fixed Costs

Fixed costs include the principal and interest on long-term debt and operating leases. These costs increased through FY02 as a result of construction of new libraries, jails, and other facilities financed by general obligation bonds and other debt.

The increases in FY01 and FY02 are for new bond issues: \$184 million for the county's unfunded pension liability, which will result in a savings of nearly \$36 million over a 30 year period; and \$61 million to finance the costs of acquiring and installing an integrated enterprise computer system, purchase of the Multnomah Building, construction of the Multnomah County East Building, and other projects.

Revenue Base and the Economy

Real Market Value

Real market value is an indicator of the health of the economy. Except for additions due to new construction, the real market value is not the basis on which property taxes are assessed.

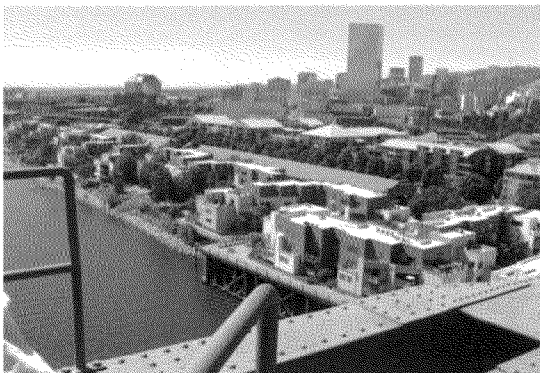
The real market value for properties in Multnomah County continued to increase in the last ten years from \$66 billion in FY99 to \$107 billion in FY08 when adjusted for inflation. The largest increase is in residential property values, increasing by 81% over the last 10 years, compared to 40% growth for commercial and industrial property values. We expect to see this trend change to reflect the declines in new construction over the last few years.

New Residential Construction

New construction figures are based on permits in the Portland PMSA (Portland Metropolitan Statistical Area). The value of new construction units increased from \$2.1 billion in 1999 to \$3.3 billion in 2005, adjusted for inflation. The trend began declining in 2006, with a 57% drop between 2005 and 2008. Declines in new construction and property sales affect county revenues from recording fees.

Number of Businesses

The number of businesses in the county is another trend related to the county's revenue base and the economy. There was a 12% increase from 1999 to 2007. Changes in the number of businesses has an effect on the county's business income tax.



View from Broadway Bridge

Chart 35 Real Market Value

Fiscal year ended June 30

Adjusted for inflation (in billions)

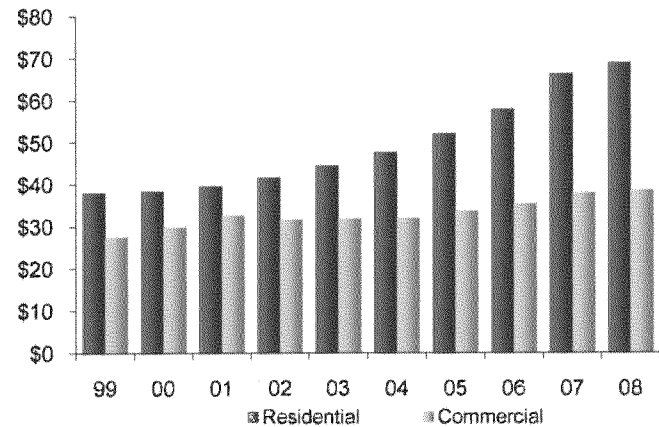


Chart 36 New Construction-PMSA

Calendar year ended December 31

Adjusted for inflation (in billions)

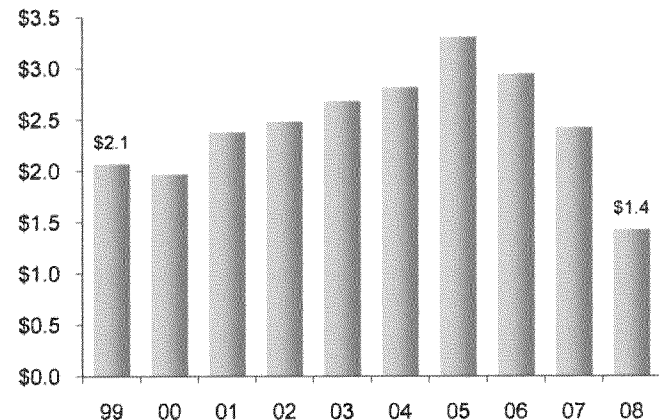
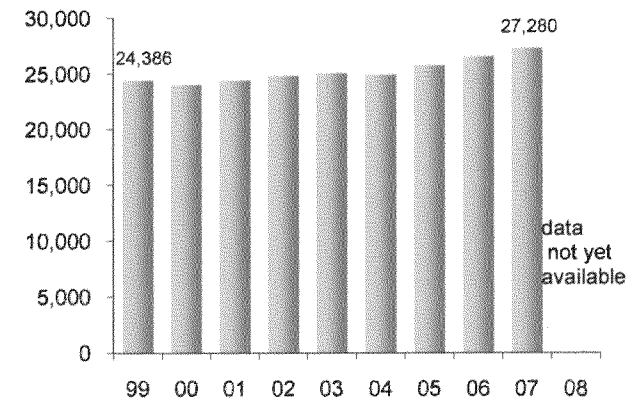


Chart 37 Number of Businesses in Multnomah County

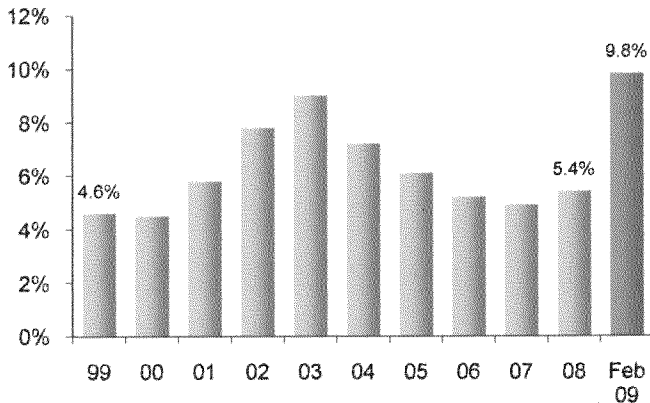
Calendar year ended December 31



Revenue Base and the Economy

Chart 38 Unemployment Rate-PMSA

At June 30



The Economy

Three major indicators of economic health include the unemployment rate, number of jobs in the county, and per capita income. Although official data lags for two of these indicators, the unemployment rate reflects the current economic climate for the county.

Unemployment Rate

The unemployment rate improved between FY03 and FY07, going from a high of 9.0% to 4.9% but increased to 5.4% by June 30, 2008. The rate continued to climb in 2008 and for February 2009 was at 9.8%.

Number of Jobs

The number of jobs provided by employers in Multnomah County has fluctured since 1999. In total there were about 3,000 more jobs in 2007 compared to 1999.

Chart 39 Jobs Provided by Employers

in Multnomah County

At December 31

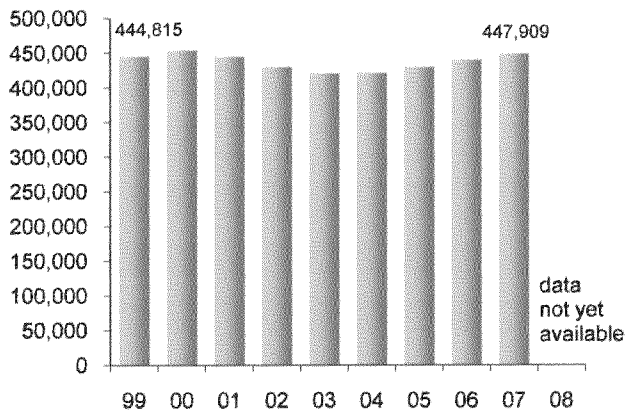
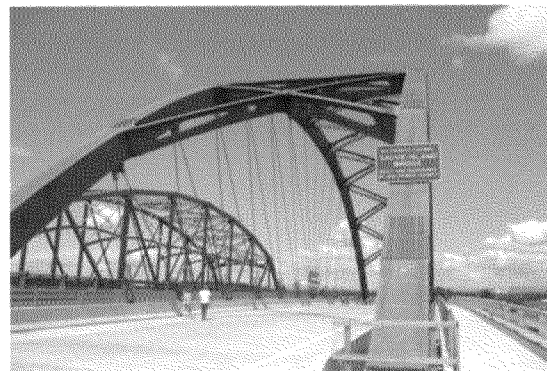
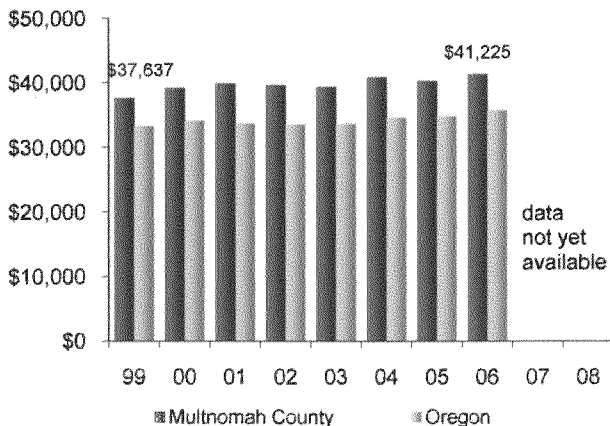


Chart 40 Average Annual Per Capita Income

Calendar year ended December 31

Adjusted for inflation



New Sauvie Island Bridge

Per Capita Income

The average annual per capita income in Multnomah County has been increasing. The rate of growth for this indicator has been greater for Multnomah County than for Oregon as a whole.

Demographics

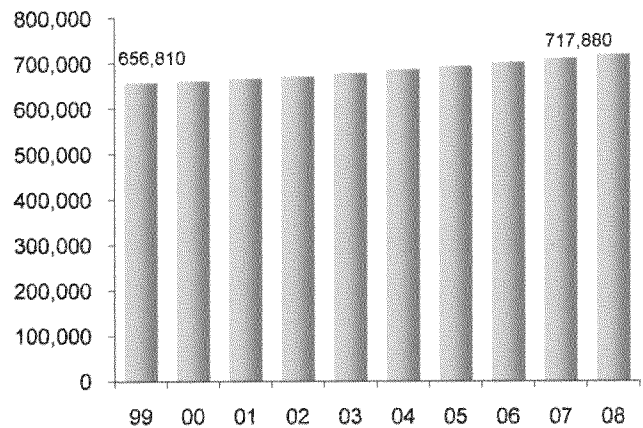
Total County Population

The county's population grew from 656,810 to 717,880 (9.3%) between FY99 and FY08, with a growth rate of a little over 1% since FY03. Neighboring counties had greater growth, with Clackamas County at 12.1% and Washington County at 18.8% from FY99 to FY08.

Many county services are for the elderly or families with children. Large changes in these groups could dramatically effect the need for county services. The population of people over 70 years of age declined 9%, while the population of people under 20 years of age increased 4% since FY99.

Chart 41 County Population

At June 30

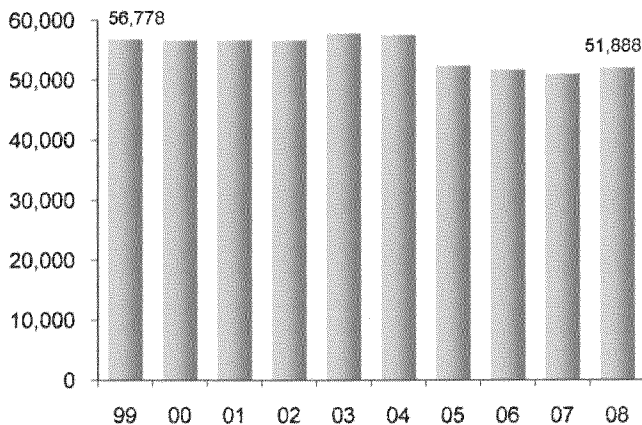


Population Over 70 Years of Age

Chart 42 shows the population over 70 years of age. There has been a net decrease of 4890 (-9%) from 56,778 in FY99 to 51,888 in FY08.

Chart 42 Over 70 Years of Age

At June 30

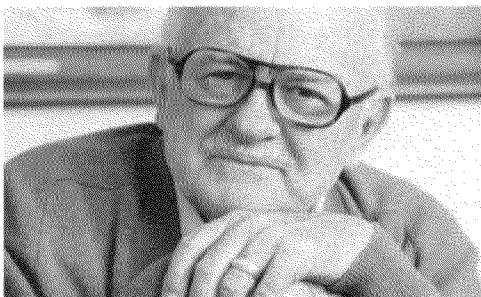
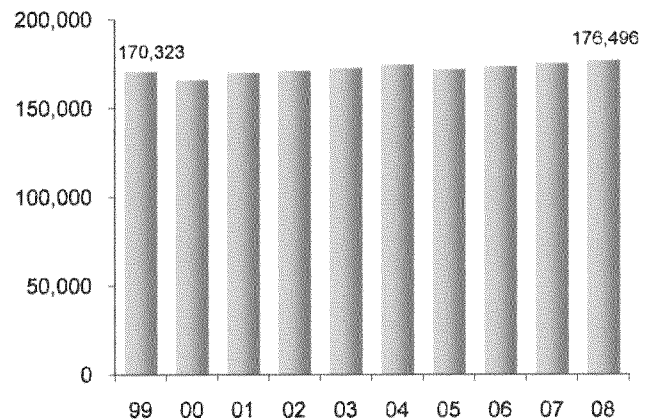


Population Under 20 Years of Age

Chart 43 shows the population under 20 years of age. This number has fluctuated, but increased from 170,323 in FY99 to 176,496 in FY08, a 4% increase.

Chart 43 Under 20 Years of Age

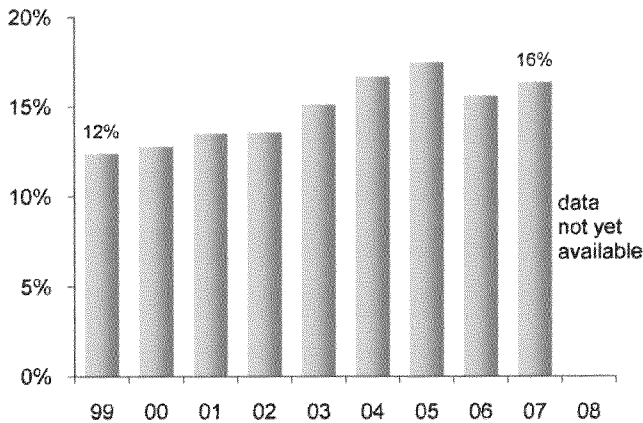
At June 30



Demographics

Chart 44 Percent of County Residents in Poverty

Calendar year ended December 31



Residents in Poverty

According to the US Census Bureau's annual American Community Survey, the number of Multnomah County residents in poverty increased from 12.4% in 1999 to 16.3% in 2007.

This indicator provides some measure of the number of low income persons who might utilize county human service and health programs.

Reported Crimes

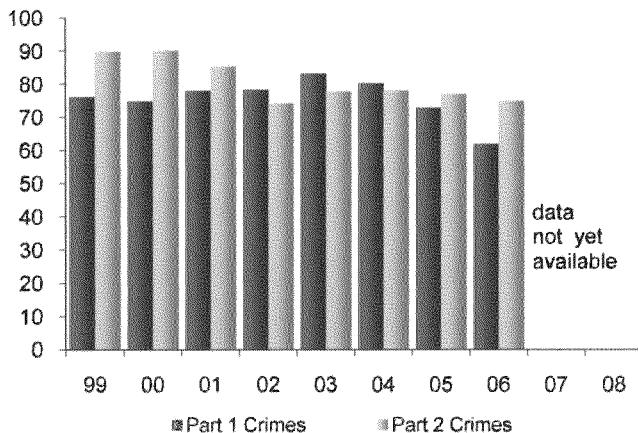
Public safety services represent a large and costly responsibility for the county at 30% of operating expenditures for FY08.

The number of reported crimes has decreased for both Part I and Part 2 crimes. Part I crimes include murder, rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft, and arson. Part 2 crimes include drug possession or distribution, driving under the influence of intoxicants, vandalism, and other crimes.

The actual crime rates are likely to be higher because some crimes are not reported by victims.

Chart 45 Reported Crimes per 1,000 Residents

Calendar year ended December 31



Ten Year History of Significant Financial Events

FY99

- \$36 million Certificates of Participation (COPs) for Multnomah Building purchase
- \$15.4 million to schools

FY00

- \$184 million taxable revenue pension obligation bonds
- \$61 million bond issues for new construction and financial software

FY01

- \$20 million revenue shortfall

FY02

- Major reorganization of human services, business functions, and environmental services
- Mid-year revenue shortfall of \$22 million
- 5-Year Local Option Library Levy for approximately \$25 million per year
- Fairview and NW Portland libraries opened
- New Hollywood library opened

FY03

- Voters approved 3-year temporary personal income tax
- \$15.6 million mid-year budget cut

FY04

- First year of ITAX, \$66.9 million to schools and \$33.2 million to county
- New Hillsdale Library opened

FY05

- \$25 million Oregon Transportation Investment Act awarded for county bridges
- Second year of ITAX, \$96 million to schools, \$34.2 million to county
- Construction of Wapato Jail completed
- Departments of County Management and Community Services created

FY06

- Transfer 50 miles of county roads to City of Gresham
- Third year of ITAX, \$84.8 million to schools, \$36.1 million to county

FY07

- Remaining ITAX collections, \$8.3 million to schools, \$7.7 million to county
- \$6.4 million one-time-only to schools

FY08

- Remaining ITAX collections, \$3.7 million to schools, \$2.9 million to County
- Sauvie Island Bridge opened to traffic in June 2008. Total cost of the bridge was \$45.7 million.
- Sale of Edgefield property for \$14.2 million

Reporting Methodology and Sources

Objectives, Scope, and Methodology

The objective of this report was to evaluate the financial condition of Multnomah County using the Financial Trend Monitoring System developed by the International City and County Management Association (ICMA) and the indicators suggested by the Government Accounting Standards Board (GASB). In developing and analyzing the indicators of financial condition, we interviewed personnel in Finance and Budget and other county departments.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The prior reports covered the years FY82 through FY06 and are available on the County Auditor's web page at www.co.multnomah.or.us/auditor

ICMA and GASB stress the importance of developing a consistent and meaningful definition of the entity being evaluated. For the purposes of this report, "the county" includes the revenues, expenditures, and activities covered by the General Fund, Special Revenue Funds, and Debt Service Funds. Excluded are Capital Construction, Internal Services, Enterprise, and Fiduciary Funds. However, we did include the Behavioral Health Managed Care Fund, which is an Enterprise Fund, because it is an integral part of mental health and addiction services provided by the county.

We also excluded revenues collected for and turned over to other governments and internal revenues and spending that are duplicated in financial reports. For FY08, this amounted to \$3.7 million in remaining ITAX dollars transferred to the county's school districts, \$22.9 million in State Motor Vehicle and Gas Tax revenues transferred to the cities of Portland, Gresham, Fairview, and Troutdale, and \$21.9 million Transit Lodging Tax collected for Metro.

We expressed most indicators in constant dollars. These adjustments for inflation convert dollar amounts over the ten-year period to the equivalent of the purchasing power of money in fiscal year ending June 30, 2008. The adjustments are based on the Portland-Salem Consumer Price Index for all urban consumers.

Data Sources

We relied on the county's enterprise accounting system, budgets, Comprehensive Annual Financial Reports, and other management reports for revenues, spending, and financial health indicators.

We used published sources for most economic and demographic indicators as follows:

- County Assessor's Office - Chart 35 "Real Market Value"
- State of Oregon Employment Division - Chart 37 "Number of Businesses," Chart 39 "Jobs Provided by Employers" and Chart 38 "Unemployment Rate"
- U.S. Census Bureau - Chart 36 "New Construction"
- U.S. Census Bureau, American Community Survey - Chart 44 "Percent of County Residents in Poverty"
- U.S. Department of Commerce, Bureau of Economic Analysis Chart 40 "Average Annual Per Capita Income"
- Portland State Population Research Center - Charts 41, 42 & 43 for population indicators
- Oregon Uniform Crime Reporting Law Enforcement Data System for Chart 45 "Reported Crimes"

County photos:

- Multnomah Building Green Roof - Judith DeVilliers
- Bridge Construction on the New Sauvie Island Bridge, and New Sauvie Island Bridge - Mike Pullen
- View from Broadway Bridge - Tom Griffin-Valade

Reporting Methodology and Sources

For More Information

The county's financial policy is adopted and published annually in its adopted budget. The county's financial statements and budget can be accessed at www.co.multnomah.or.us

Additional economic information can be obtained through the State of Oregon for the State Employment Department at www.qualityinfo.org or the Office of Economic analysis at www.oregon.gov/DAS/OEA

For information about the county's property tax structure and limitations, see Tax Supervising & Conservation Commission at www.co.multnomah.or.us/orgs/tsc

BOGSTAD Deborah L

From: SOWLE Agnes
Sent: Thursday, May 07, 2009 11:14 AM
To: BOGSTAD Deborah L
Cc: KARNES Ana
Subject: FW: postponement

See below for your records

From: LANDIS Sarah E
Sent: Thursday, May 07, 2009 11:14 AM
To: SOWLE Agnes
Cc: ROSENBERGER Judy K; DEVILLIERS Judith M
Subject: RE: postponement

Thanks!

Sarah Landis

Multnomah County Auditor's Office

(503) 988-5663

sarah.e.landis@co.multnomah.or.us

From: SOWLE Agnes
Sent: Thursday, May 07, 2009 11:12 AM
To: LANDIS Sarah E
Subject: RE: postponement

They did postpone to May 28, and Chair Wheeler said "Thank you to the Auditor's Office"

From: LANDIS Sarah E
Sent: Thursday, May 07, 2009 11:07 AM
To: SOWLE Agnes
Cc: ROSENBERGER Judy K; DEVILLIERS Judith M
Subject: RE: postponement

That should be fine.

Sarah Landis

Multnomah County Auditor's Office

5/7/2009

(503) 988-5663

sarah.e.landis@co.multnomah.or.us

From: SOWLE Agnes

Sent: Thursday, May 07, 2009 11:05 AM

To: LANDIS Sarah E

Subject: postponement

Can you wait until the 28th for your briefing?

5/7/2009



MULTNOMAH COUNTY

AGENDA PLACEMENT REQUEST (long form)

APPROVED: MULTNOMAH COUNTY
BOARD OF COMMISSIONERS

AGENDA # R-10 DATE 05/07/09
DEBORAH L. BOGSTAD, BOARD CLERK

Board Clerk Use Only

Meeting Date: 05/07/09

Agenda Item #: R-10

Est. Start Time: 10:30

Date Submitted: 04/23/09

Agenda Title:	NOTICE OF INTENT to Apply for Grant Funding of Up to \$7,200,000 of Stimulus Money Directly from the Federal Government or Indirectly through the State to Improve County-Owned Facilities, Reduce Utility Costs, and Lessen Maintenance Time and Expense
---------------	--

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.

Requested Meeting Date:	<u>May 7, 2009</u>	Amount of Time Needed:	<u>15 minutes</u>
Department:	<u>Department of County Management</u>	Division:	<u>Facilities & Property Mgmt</u>
Contact(s):	<u>Bob Thomas, Jon Schrotzberger, Clark Jurgemeyer</u>		
Phone:	<u>503.988.3074</u>	Ext. <u>x 83074</u>	I/O Address: <u>274</u>
Presenter(s):	<u>Bob Thomas, Clark Jurgemeyer, Tim Lynch</u>		

General Information

1. What action are you requesting from the Board?

Authorize submittal of various grant requests to pay for Energy Conservation Measure (ECM) capital improvement projects that would improve and lower the cost of County-owned facility operations and maintenance.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

The projects proposed for submittal would accelerate efforts to improve our ability to operate and maintain County-owned facilities with high-performance systems, equipment and components. Over the last decade, the County has successfully picked the low-hanging fruit of energy conservation measures. The proposed grant requests provide one-time opportunities to upgrade and expand our money-saving efforts. If granted some or all our requests, the Capital Improvement Program would temporarily increase their number of Project Managers accordingly.

3. Explain the fiscal impact (current year and ongoing).

All grant proposals include shared costs. Included within the proposed FY2010 Budget is funding for full faith and credit obligation borrowing to provide adequate coverage of County local match requirements. Where Business Energy Tax Credit (BETC) and Energy Trust of Oregon Inc. (ETO)

funds are proposed, those costs would be reimbursed after County expenditure. Non-reimbursable County local matching funds would include:

- a. Building Automation Systems – Shared costs would come from the proposed FY2010 Budget (\$145,000) where \$313,000 is budgeted for DDC work, and estimated ETO incentives (\$362,500);
- b. Combined Heat and Power – Shared costs would come from the proposed FY2010 Budget (no County match) though \$150,000 is budgeted for Laundry boiler replacement, estimated ETO incentives (\$132,000), and BETC funds in lieu of tax credits (\$264,000);
- c. Efficient Lighting Systems – Shared costs would come from Full Faith and Credit borrowing (\$517,500) because the FY2010 Budget only has \$10,000 for lighting projects, and estimated ETO incentives (\$1,035,000);
- d. Renewable Energy Production – Shared costs would come from third-party developers (no County match) and any ETO incentives or BETC credits they may obtain;
- e. Stormwater Conservation Measures – Shared costs would come from Full Faith and Credit borrowing (\$440,000) because the FY2010 Budget has no funds for stormwater work, and no outside incentives have been identified yet; and
- f. Hydrokinetic Energy Production – Shared costs would come from third-party developers (no County match) and any ETO incentives or BETC credits they may obtain.

4. Explain any legal and/or policy issues involved.

Whether directly from the federal government or through the State, accepting stimulus money will obligate the County to provide monthly reporting and perhaps project auditing to verify that funds are spent in accordance with the grant program requirements.

5. Explain any citizen and/or other government participation that has or will take place.

The County would work with state Business Energy Tax Credit (BETC) program, Energy Trust of Oregon Inc. (ETO) and other parties to leverage our County local match to make requests more competitive and attractive to grant applications reviewers.

ATTACHMENT A

Grant Application/Notice of Intent

If the request is a Grant Application or Notice of Intent, please answer all of the following in detail:

- **Who is the granting agency?**

Federal government directly (or indirectly through the State) in addition to potential incentives and rebates from the Business Energy Tax Credit (BETC) program, Energy Trust of Oregon Inc. (ETO), and other agencies or organizations yet to be determined.

- **Specify grant (matching, reporting and other) requirements and goals.**

BUILDING AUTOMATION SYSTEMS (BAS) – Expand or upgrade Direct Digital Control (DDC) to remotely monitor, control and trouble-shoot mechanical and electrical systems, equipment and components in 35 or more County-owned buildings. Provide reporting capability for virtual energy audit on demand. Project total (\$1,450,000) less shared costs (\$507,500) result in a \$942,500 grant request. We forecast annual savings of 2,800,000 Kwh and \$185,000 (less than 1.5 year payback for County match).

COMBINED HEAT AND POWER (CHP) – Install a new cogeneration facility for water heating and electrical power generation at the Multnomah County Inverness Jail Laundry to increase efficiency and effectiveness of building systems operation and maintenance at the single largest energy user per square foot of County-owned buildings. Project total (\$1,320,000) less shared costs (\$528,000) result in a \$792,000 grant request. We forecast annual savings of 225,000 Kwh, 16,000 therms, and \$36,600 (immediate payback because we propose no County match).

EFFICIENT LIGHTING SYSTEMS (ELS) – Replace or upgrade lamps, ballasts, fixtures, local controls, egress/exit lighting, and site lighting at 25 or more County-owned buildings to reduce energy (through better efficiency and lower cooling load) and maintenance (through longer lamp, ballast and fixture life). Project total (\$3,450,000) less shared costs (\$1,500,000) result in a \$1,900,000 grant request. We forecast annual savings of 2,680,000 Kwh and \$175,000 (less than 3 year payback for County match).

RENEWABLE ENERGY PRODUCTION (REP) – Install a variety of solar heating and photovoltaic projects using third-party developers (e.g. solar water pre-heating, solar roof membranes, and solar carports) at 5 or more County-owned sites. Project total (\$18,250,000) less shared costs (\$17,490,000) result in a \$760,000 grant request. We forecast 2,450,000 Kwh and 30,000 therms to be generated from renewable energy sources. Using Power Purchase Agreements (PPA) will lock in third-party developer charges for energy generated over an extended period of time (e.g. 20 years). County savings will depend upon the difference between those rates and regulated utility rates.

STORMWATER CONSERVATION MEASURES (SCM) – Redirect stormwater runoff from roofs and parking areas into landscape bioswales at 25 or more County-owned sites. Project total (\$2,200,000) less shared costs (\$440,000) result in a \$1,760,000 grant request. We forecast an annual savings of \$120,000 in stormwater charges by local water/sewer utilities (less than 4 year payback for County match).

HYDROKINETIC ENERGY PRODUCTION (HEP) – Attach low-flow water turbines below the water line to piers supporting 5 or more County-owned bridges across the Willamette River. Project total (\$19,700,000) less shared costs (\$18,715,000) result in a \$985,000 grant request. We forecast 4,500,000 Kwh to be generated from the river flow (24/7). Using Power Purchase Agreements (PPA) will lock in third-party developer charges for energy generated over an extended period of

time (e.g. 20 years). County savings will depend upon the difference between those rates and regulated utility rates.

REPORTING REQUIREMENTS – All projects using federal stimulus money must submit monthly reports, but requirements for each funding source have not been published.

- **Explain grant funding detail – is this a one time only or long term commitment?**

One time only grant funding.

- **What are the estimated filing timelines?**

We submitted to the State an “expression of interest” for the first four projects (BAS, CHP, ELS, and REP) on April 15, 2009 due to the sudden announcement of their deadline. We plan to submit a notice or expression of interest for the remaining two projects (SBA and HEP) in May 2009.

- **If a grant, what period does the grant cover?**

Depending upon the time of award, the federal government expects us to spend funds within 2 years.

- **When the grant expires, what are funding plans?**

Where shared costs require a County match not covered by the current Capital Improvement Budget, we would require loan(s), but forecast less than 5 year payback with resulting savings.

- **How will the county indirect, central finance and human resources and departmental overhead costs be covered?**

Administrative expenses and County staff time are included in the proposed grants.

ATTACHMENT B

Required Signatures

Elected Official or
Department/
Agency Director:

Carol M. Ford

Date: 04/23/09

Budget Analyst:

Debraha

Date: 04/23/09



MULTNOMAH COUNTY

AGENDA PLACEMENT REQUEST (revised 09/22/08)

Board Clerk Use Only

Meeting Date: 05/07/09
Agenda Item #: R-11
Est. Start Time: 10:35 AM
Date Submitted: 04/29/09

RESOLUTION Approving the Conveyance of the Martha Washington Building, 1115 SW 11th Avenue, Portland, Oregon, to the Housing Authority of Portland, for Redevelopment as Affordable and Permanent Supportive Housing Providing Services to County Target Populations

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title sufficient to describe the action requested.

Requested Meeting Date: May 7, 2009 Amount of Time Needed: 15 minutes
Department: County Management Division: Facilities & Property Mgmt
Contact(s): Mike Sublett, Facilities
Phone: 503-988-4149 Ext. 84149 I/O Address: 274
Presenter(s): Joanne Fuller, DCHS; Mike Sublett, FPM; Housing Authority of Portland Staff

General Information

1. What action are you requesting from the Board?

Approve the conveyance of the Martha Washington Building, 1115 SW 11th Avenue, Portland Oregon, to the Housing Authority of Portland, for redevelopment as affordable and permanent supportive housing providing services to county target populations.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

By Resolution 05-201, dated December 8, 2005, the Multnomah County Board of Commissioners declared the Martha Washington Building, also known as Martha Washington Apartments, 1115 SW 11th Avenue, Portland, Oregon ("Property") as surplus. By Resolution 06-036, dated March 30, 2006, the Multnomah County Board of Commissioners directed Facilities and Property Management Division ("Facilities") to develop a Request for Proposal for affordable housing. By Resolution 06-181, dated October 26, 2006, the Multnomah County Board of Commissioners authorized Facilities to commence negotiation of a disposition agreement with Cascadia Behavioral Healthcare, Inc. ("Cascadia") and Winkler Development Corporation ("Winkler") for the Property based on their

response to a Request for Proposal. Facilities was further directed to submit the final agreement to the Board for approval. In June 2008, it was determined that a disposition agreement with Cascadia was not feasible. The Department of County Human Services ("DCHS"), with support from the County Attorney and Facilities, identified the Housing Authority of Portland ("HAP") as a potential operator of the Property as affordable housing, including a permanent supportive housing component. Since June 2008, there has been substantial work on building due diligence, development of a plan for services to be provided to future residents of the Property, financing, transfer documentation, and related issues. With substantial support from Winkler, the role of project developer has transitioned to HAP. In addition, DCHS Staff have reviewed and approved the plan for services to be provided by Central City Concern and other agencies at the Property to County target populations, including the homeless, those at risk of homelessness, and those with chronic health conditions.

The Martha Washington will have 107 rental units plus 1 manager's unit. All of the rental units will be targeted toward persons with very low incomes. Fifty (50) of the units will be designated as Permanent Supportive Housing reserved for individuals earning 30% or less of AMI. This set aside will include twenty-five (25) units reserved for persons with serious mental illness or with other mental health and/or addiction issues and twenty-five (25) units reserved for chronically homeless individuals. The total project leverages the Martha Washington into a development valued at more than \$16 million.

The attached Agreement for the Disposition of Property has been negotiated by the County Attorney, with review by DCHS and Facilities, with HAP. It recommended that it is in the best interests of the County to convey the Property to HAP on the terms and conditions set forth in the attached agreement.

3. Explain the fiscal impact (current year and ongoing).

The County will save ongoing operating (mothball) costs estimated at \$100,000 per annum.

4. Explain any legal and/or policy issues involved.

none

5. Explain any citizen and/or other government participation that has or will take place.

The conversion of the Martha Washington into affordable housing and permanent supportive housing has been the subject of a public process since early 2006, with extensive outreach and opportunity for public comment. The current proposal is functionally similar to the one proposed by Cascadia which was the subject of an informal roundtable discussion in December 2007 at which community stakeholders were updated on the programming and building plans. In addition, a Board Briefing was conducted in March 2008. There is extensive government participation, as the Housing Authority is a public agency and the Portland Development Commission and the State of Oregon are also participants in the project.

Required Signature

Elected Official or
Department/
Agency Director:

Carol M. Ford

Date: 04/29/09

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. _____

Approving the Conveyance of the Martha Washington Building, 1115 SW 11th Avenue, Portland, Oregon, to the Housing Authority of Portland, for Redevelopment as Affordable and Permanent Supportive Housing Providing Services to County Target Populations

The Multnomah County Board of Commissioners Finds:

- a. By Resolution 05-201, dated December 8, 2005, the Multnomah County Board of Commissioners declared the Martha Washington Building, also known as Martha Washington Apartments, 1115 SW 11th Avenue, Portland, Oregon ("Property") as surplus.
- b. By Resolution 06-036, dated March 30, 2006, the Multnomah County Board of Commissioners directed Facilities and Property Management Division ("Facilities") to develop a Request for Proposal for affordable housing.
- c. By Resolution 06-181, dated October 26, 2006, the Multnomah County Board of Commissioners authorized Facilities to commence negotiation of a disposition agreement with Cascadia Behavioral Healthcare, Inc. ("Cascadia") and Winkler Development Corporation ("Winkler") for the Property based on their response to a Request for Proposal. Facilities was further directed to submit the final agreement to the Board for approval.
- d. In June 2008, it was determined that a disposition agreement with Cascadia was not feasible. The Department of County Human Services ("DCHS"), with support from the County Attorney and Facilities, identified the Housing Authority of Portland ("HAP") as a potential operator of the Property as affordable housing, including a permanent supportive housing component.
- e. Since June 2008, there has been substantial work on building due diligence, development of a plan for services to be provided to future residents of the Property, financing, transfer documentation, and related issues. With substantial support from Winkler, the role of project developer has transitioned to HAP. In addition, DCHS Staff have reviewed and approved the plan for services to be provided by Central City Concern and other agencies at the Property to County target populations, including the homeless, those at risk of homelessness, and those with chronic health conditions.
- f. The attached Agreement for the Disposition of Property has been negotiated by the County Attorney, with review by DCHS and Facilities, with HAP. It is in the

best interests of the County to convey the Property to HAP on the terms and conditions set forth in the attached agreement.

The Multnomah County Board of Commissioners Resolves:

1. It is in the best interests of the County to convey the Property to HAP on the terms and conditions set forth in the attached Agreement for Disposition of Property.
2. The Chair is authorized to execute documents necessary to complete the conveyance of the Property on terms substantially consistent with the attached Agreement for Disposition of Property.

ADOPTED this 7th day of May, 2009.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Ted Wheeler, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By _____
John S. Thomas, Deputy County Attorney

SUBMITTED BY:

Carol M. Ford, Director, Dept. of County Management

**MARTHA WASHINGTON APARTMENTS
AGREEMENT FOR DISPOSITION OF PROPERTY**

between

MULTNOMAH COUNTY

and

HOUSING AUTHORITY OF PORTLAND

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MARTHA WASHINGTON APARTMENTS

AGREEMENT FOR DISPOSITION OF PROPERTY

THIS AGREEMENT FOR DISPOSITION OF PROPERTY (this "Agreement") is made as of _____, 2009, by MULTNOMAH COUNTY ("Multnomah County"), a political subdivision of the State of Oregon, and the HOUSING AUTHORITY OF PORTLAND, a public body corporate and politic of the State of Oregon ("HAP"). Multnomah County and HAP are referred to jointly in this Agreement as "Parties" and individually as a "Party".

RECITALS

1. Multnomah County owns the Martha Washington Apartments located at 1115 SW 11th Avenue, in Portland, Multnomah County, Oregon, the legal description of which is set forth on Exhibit A ("Property").
2. The Parties desire to enter into this Agreement setting forth the terms and conditions under which Multnomah County will convey the Property to HAP in exchange for HAP's agreement to undertake the Project (as defined below) and cause units in the Project to be rented to members of targeted populations pursuant to the terms and conditions of this Agreement.
3. HAP expects to lease, or sell, the Property to a limited partnership or limited liability company (the "Tax Credit Entity") of which HAP is the general partner or managing member for purposes of leveraging investor funds. HAP further expects that the Tax Credit Entity will provide HAP with an option and/or right of first refusal to purchase the Property (or the Tax Credit Entity's leasehold interest in the Property) at the expiration of the 15-year "compliance period" for the Project determined under Section 42 of the Internal Revenue Code of 1986, as amended.
4. As General Partner, HAP will negotiate a Right of First Refusal to purchase the property at the end of the compliance period. HAP will subsequently enter into a mirror-image Right of First Refusal with Central City Concern (CCC), subject to approval and negotiation with Investor. CCC's Right of First Refusal will provide for a reasonable term, to be negotiated by HAP and CCC that is within and less than the term of the Right of First Refusal between HAP and the limited partnership, and will be bound by the limits imposed in such agreement between HAP and the Investor. This is intended to provide CCC a reasonable opportunity to execute the purchase of the Project, including an opportunity to put together the financing needed for the purchase, while also providing HAP fall back opportunity to purchase the Project should CCC be unwilling or unable to do so. The Right of First Refusal between HAP and CCC will mirror the price methodology set forth in the Right of First Refusal between HAP and the limited partnership, and consider HAP's loan or capital contribution to the Project and all transaction costs related to the purchase.
5. Multnomah County finds that HAP's undertakings hereunder will help achieve Multnomah County's goals. Multnomah County also finds that the fulfillment generally

of this Agreement, and the intentions set forth herein, are in the vital and best interests of Multnomah County and the health, safety, and welfare of its residents.

AGREEMENT

The Parties, in consideration of the premises and the agreements set forth herein and for other valuable consideration, the receipt and adequacy of which are hereby acknowledged, covenant and agree as follows:

DEFINITIONS

The following terms have the designated meanings in this Agreement:

1. "Affiliate" means any entity that controls, is controlled by or is under common control with HAP.
2. "Affordable Housing" means residential rental property that is occupied by individuals whose income is, at the time of their initial lease, 60% or less of area median gross income, and for which rent is affordable.
3. "Agreement" means this Agreement for Disposition of Property and all attached Exhibits.
4. "CCC" shall have the meaning set forth in the recitals hereto.
5. "Certificate of Initial Compliance" means a certificate to be issued by Multnomah County to HAP pursuant to Section 3.7 of this Agreement.
6. "Close" or "Closing" means the conveyance to HAP by Multnomah County of the Property by the Deed.
7. "Closing Date" means the date set forth in Section 1.1.2.
8. "Conveyance" means the transfer by Multnomah County to HAP of fee simple title to the Property, by means of the Deed and subject to reversion as provided herein.
9. "Deed" means the form of Bargain and Sale Deed conveying fee simple title to the Property to HAP, substantially in the form attached to this Agreement as Exhibit B.
10. "Effective Date" means the date that both Parties have executed this Agreement.
11. "Environmental Abatement" means the testing for and lawful disposition of all Hazardous Substances on the Property (including asbestos, lead paint, and PCBs, if any) as required prior to commencement of the Project in compliance with Environmental Laws.
12. "Environmental Laws" means all federal, state and local laws, ordinances, rules and regulations pertaining to the protection or regulation of the environment that apply to the Property, including without limitation, ORS chapter 466, OAR Chapter 341, RCRA

(defined herein), CERCLA (defined herein), the Safe Drinking Water Act, the Clean Air Act, the Clean Water Act, and the Toxic Substances Control Act.

13. "Environmental Report" means the "Phase I Environmental Site Assessment" dated August 23, 2005 prepared by Ash Creek Associates for the Portland Development Commission, as updated by a "level 1" update dated April 18, 2008, and a "level 2" update dated May 17, 2008.
14. "Escrow Agent" means Fidelity National Title, 900 SW 5th Avenue, Portland, Oregon 97204 (Attn: Karleen M Huggins).
15. "Extended Use Period" means a period of sixty (60) years commencing with the date of issuance of the Certificate of Initial Compliance.
16. "Final Permitted Exceptions" shall have the meaning set forth in Section 1.4.2.
17. "Final Termination Date" shall have the meaning set forth in Section 1.6.3.
18. "Hazardous Substances" means any pollutant, dangerous substance, toxic substance, asbestos, petroleum, petroleum product, hazardous waste, hazardous materials or hazardous substances as defined in or regulated by Chapter 466 of the Oregon Revised Statutes, the Resource Conservation Recovery Act, as amended, 42 USC Section 6901, *et seq.* ("RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 USC Section 9601, *et seq.* ("CERCLA"), or any other Environmental Law.
19. "Investor" means, collectively, all limited partners or non-managing members of the Tax Credit Entity.
20. "Mortgage" means a mortgage or deed of trust against the Property, or any portion thereof, approved by Multnomah County and recorded in the real property records of Multnomah County, Oregon.
21. "Mortgagee" means the holder of any Mortgage, approved by Multnomah County, affecting or encumbering the Property or any portion thereof, together with any successor or assignee of such holder. The term "Mortgagee" shall include any Mortgagee as owner of the Property or any part thereof as a result of foreclosure proceedings, or action in lieu thereof, or any insurer or guarantor of any obligation or condition secured by a Mortgage but shall not include (a) any other party who thereafter obtains title to the Property or such part from or through a Mortgagee or (b) any other purchaser at foreclosure sale other than a Mortgagee.
22. "Permanent Housing" means housing with no limit on length of stay and no requirement that tenants move out so long as the tenant(s) is in compliance with their lease and the terms of the restrictive covenants applicable to the unit.
23. "Permanent Supportive Housing" means a unit of Permanent Housing that is: (a) subject to restrictive covenants requiring that the unit be affordable to single individual

households with incomes equal to or less than 30% of area median gross income, or multiple individual households with incomes equal to or less than 50% of area median gross income, as defined by the U.S. Department of Housing and Urban Development and the restrictive covenants applicable to the unit; (b) occupied by a person who has access to Services; and (c) occupied by a person or household who is, or was at the time of initial occupancy of the unit, a PSH Tenant.

24. "Permit of Entry" means the permit issued by the County to HAP prior to execution of this Agreement.
25. "Permitted Exceptions" shall have the meaning set forth in Section 1.4.1.
26. "Project" means, depending on the context, (a) rehabilitating the existing structure on the Property, or (b) the apartment complex, as so rehabilitated.
27. "Project Budget" means the chart of sources and uses of funds for the Project and detailed listing of estimated Project costs that will be furnished by HAP to Multnomah County.
28. "Project Completion" shall have the meaning set forth in Section 3.5.
29. "PSH Tenant" means an individual or family: (a) earning up to 30% of area median gross income (for individuals) or 50% of area median gross income (for families); (b) homeless or at risk of homelessness, including those who may be leaving other systems of care (corrections, hospitalization, etc.) without a place to live; (c) with chronic health conditions that are at least episodically disabling (e.g. mental illness, HIV/AIDS, and substance use issues) or other substantial barriers to housing stability; (d) who would not be able to retain stable housing without tightly linked supportive services; and (e) who is a member of a specific target population.
30. "Release" means releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, disposing or dumping.
31. "Seller's Documents" shall have the meaning set forth in Section 1.6.1(b)(x).
32. "Services" means those services described in Exhibit D.
33. "Tax Credit Entity" shall have the meaning set forth in the recitals hereto.
34. "Termination Date" shall have the meaning set forth in Section 1.6.2(a).
35. "Title Report" shall have the meaning set forth in Section 1.4.1.
36. "Unavoidable Delay" shall have the meaning set forth in Section 7.8.1.

1. GENERAL TERMS OF CONVEYANCE

1.1 Conveyance by Deed.

1.1.1 **Deed.** Subject to the terms, covenants and conditions of this Agreement, at Closing Multnomah County will convey the Property by the Deed to HAP.

1.1.2 **Closing.** The conveyance of the Property to HAP shall occur in an escrow closing at the office of the Escrow Agent _____, 2009 (the "Closing Date"), subject to extension to not later than the Final Termination Date as provided in Section 1.6.3. or such earlier date as the parties may agree to in writing. At Closing, HAP shall accept such conveyance from Multnomah County.

1.2 **Conveyance of Property.** Upon satisfaction of the Conditions Precedent to Conveyance provided in Section 1.6 hereof, Multnomah County will convey the Property to HAP by Deed.

1.3 **Consideration for Conveyance of the Property.** The sole consideration for the Property is HAP's agreements to rehabilitate the Property so that it is suitable for the uses described in this Agreement, and to cause the Services to be provided at the Project as described in this Agreement.

1.4 **Title Review.**

1.4.1 Within ten (10) days after the Effective Date, Multnomah County will deliver to HAP a preliminary title report from the Escrow Agent and copies of all exception documents (the "Title Report"). HAP will have twenty (20) days after receiving the Title Report to notify Multnomah County in writing if HAP objects to any item in the Title Report. Those items to which HAP does not object are the "Permitted Exceptions". If HAP objects to any item, then Multnomah County shall have twenty (20) days after receiving HAP's written objection to notify HAP in writing of its intention to remove or not remove the objected to exceptions to title prior to Closing. If Multnomah County does not give its response to HAP's objections within the twenty (20) day time period or if Multnomah County refuses to remove any such objected to exceptions, HAP shall have twenty (20) days to terminate this Agreement by written notice to Multnomah County. If HAP does not terminate the Agreement, the exceptions that HAP originally objected to and that Multnomah County refused to remove or failed to respond to will be deemed additional Permitted Exceptions.

1.4.2 From and after the Effective Date, Multnomah County will not suffer or permit any liens, encumbrances or other exceptions to title to the Property without HAP's prior written consent, which consent shall not be unreasonably withheld. HAP may obtain an update to the Title Report at any time prior to the Closing. HAP shall promptly give to Multnomah County a copy of any updated Title Report. HAP may object to Multnomah County in writing to any exceptions (which are not Permitted Exceptions or which have not been approved by HAP as provided in this Section 1.4.2) to title that appear on the updated Title Report as a result of Multnomah County's actions or inactions. Within ten (10) days of HAP's written notice to Multnomah County described in the preceding sentence, Multnomah County shall remove the objected to exceptions to title prior to Closing. If Multnomah County fails to remove any such objected to exceptions, HAP may terminate this Agreement with ten (10) days written notice to Multnomah County or seek extension of the Closing Date pending removal of those exceptions that are capable of removal. The Permitted Exceptions identified and established pursuant to

Section 1.4.1 above together with any exceptions that HAP approves pursuant to this Section 1.4.2 are the "Final Permitted Exceptions".

1.5 Title Insurance, Survey, Property Taxes and Closing Costs.

1.5.1 The Escrow Agent shall deliver to HAP at Closing an ALTA Owner's Policy of Title Insurance covering the Property, subject only to the printed exceptions appearing in an ALTA extended form Owner's Policy of Title Insurance and the Permitted Exceptions, with coverage in an amount equal to \$ _____ (the "Title Policy") or an irrevocable commitment to issue same to HAP. Multnomah County agrees to execute any affidavits or other documents required by the Escrow Agent to enable HAP to obtain such coverage.

1.5.2 HAP shall pay the following costs in connection with Closing: (a) all real estate excise taxes; (b) the premium payable for the standard coverage portion of the Title Policy (excluding, without limitation, any premiums or other charges relating to any extended coverage or endorsements requested by HAP); (c) the costs for recording a Memorandum of this Agreement and the Deed; (d) escrow fees charged by the Escrow Agent; and (e) all other Closing costs. Each Party shall pay the fees of its own attorneys, accountants and other professionals. HAP shall be responsible for the Property's pro-rated share of special assessments, or any payments on special assessments, due after the Closing Date.

1.6 Conditions Precedent to Conveyance.

1.6.1 **Conditions.** HAP and Multnomah County are not obligated to Close the Conveyance unless the following conditions are satisfied to the reasonable satisfaction of the benefited Party. The Party benefited by a particular condition shall not unreasonably withhold, condition or delay acknowledgment that the condition has been satisfied.

(a) To the satisfaction of both Multnomah County and HAP, there shall be no litigation pending that prevents Multnomah County or HAP from performing their respective obligations under this Agreement.

(b) To HAP's reasonable satisfaction:

(i) Any required building permits shall have been issued by the City of Portland.

(ii) HAP shall have determined that Multnomah County has title to the Property subject only to the Final Permitted Exceptions.

(iii) HAP's lenders shall have agreed to the final form of the Deed and any documents necessary to close the private financing.

(iv) Escrow Agent shall have issued to HAP a binding commitment (a) to issue to HAP an Owner's Extended Title Insurance Policy covering the Property in an amount not less than the total cost of performing the Project in form and substance satisfactory to HAP, subject only to the Final Permitted Exceptions; and (b) to issue a Lender's

Extended Title Insurance Policy covering the fee interest in the Property in the amount of the loans to be provided to HAP in form and substance satisfactory to any lender identified by HAP.

(v) Multnomah County's representations and warranties stated in Section 1.7 herein are true and correct as of the Closing Date.

(vi) HAP and/or the Tax Credit Entity shall have obtained financing for the Project reasonably satisfactory to HAP, including (A) an equity contribution to the Tax Credit Entity from the Investor based on an allocation of federal low-income tax credits from the Oregon Housing and Community Services Department, (B) an equity contribution to the Tax Credit Entity from the Investor based on the Project's qualification for federal rehabilitation (*i.e.* historic) tax credits, (C) Housing Plus Funds from the Oregon Housing and Community Services Department, (D) money resulting from the transfer to investors of Business Energy Tax Credits provided by the Oregon Department of Energy for weatherization, (E) a Mental Health Housing Grant, (E) in tax increment financing from the Portland Development Commission, (F) a Green Communities Grant from the Green Communities Initiative, (G) a Weatherization Grant from the Multnomah County Department of Community and Family Services, and/or (H) HAP's available funds (whether in the form of a loan or capital contribution to the Tax Credit Entity) to finance Public Housing units at the Project.

(vii) Multnomah County shall not be in default under any material term or condition of this Agreement. As of Closing, if requested by HAP, Multnomah County shall represent to HAP that there are no material defaults by Multnomah County under this Agreement or events which with the passage of time would constitute a material default by Multnomah County under this Agreement.

(viii) HAP, or a third-party developer retained by HAP or the Tax Credit Entity, shall have secured all land use approvals for the Project required by the City of Portland and no appeal of any required approval or permit shall have been filed, and the time for any such appeal shall have expired. If an appeal has been filed, it shall have been finally resolved.

(ix) HAP shall have reviewed and approved the results of its due diligence investigation of Project feasibility including, without limitation, survey, title, geotechnical, environmental, land use, parking and financing.

(x) Multnomah County has made available to HAP a copy of all surveys, studies, reports and other documents or information in Multnomah County's possession or reasonably available to Multnomah County regarding the Property ("Seller's Documents") and shall, upon request by HAP, assist HAP with obtaining updates or reliance letters from the providers thereof, at HAP's expense.

(c) To Multnomah County's reasonable satisfaction:

(i) HAP shall have provided to Multnomah County a certified copy of the resolution adopted by its board of commissioners, authorizing execution of this Agreement and performance of the transactions contemplated hereby.

(ii) HAP shall not be in default under any material term or condition of this Agreement. As of Closing, HAP shall represent to Multnomah County that there are no material defaults by HAP under this Agreement or events which with the passage of time would constitute a material default by HAP under this Agreement.

(iii) HAP's representations and warranties stated in Section 1.8 herein are true and correct as of the Closing Date.

(iv) HAP shall have demonstrated financial feasibility for the Project by closing adequate financing to fund the Project or by providing to Multnomah County copies of binding commitment letters for financing from lenders, subject to standard conditions to closing, and consistent with the Project Budget.

(v) HAP shall have obtained the approvals and agreements described in clauses (i), (iii), (vi) and (viii) of Section 1.6.1(b).

(vi) The plans approved for the building permit describe facilities that are adequate to provide the Services described in Exhibit D, with the number and configuration of units described in Exhibit C.

1.6.2 Elections upon Non-Occurrence of Conditions. Except as provided below, if any condition in Section 1.6.1 is not fulfilled to the reasonable satisfaction of the benefited Party or Parties on the Closing Date, subject to any extension that may be granted pursuant to this Section 1.6, then such benefited Party may elect to:

(a) Terminate this Agreement by written notice to the other Party, which termination shall become effective sixty (60) days after the notice of termination is given ("Termination Date") unless, before the sixty (60) day period ends, the other Party fulfills such condition or conditions to the reasonable satisfaction of the benefited Party or Parties; or

(b) Waive in writing the benefit of that condition precedent to its obligation to perform under this Agreement, and proceed in accordance with the terms hereof; or

(c) Extend the Termination Date by which the other Party must satisfy the applicable condition, if the other Party can satisfy the condition and if the other Party agrees in writing to the extension.

1.6.3 Final Termination Date. If all of the conditions precedent under Section 1.6.1 have not been satisfied, waived or otherwise resolved pursuant to this Agreement by the date sixty (60) days after the Closing Date, then this Agreement shall automatically terminate 60 days after the Closing Date ("Final Termination Date") unless the Final Termination Date is extended by agreement of the Parties prior to Final Termination Date, or unless the failure of satisfaction of the conditions precedent is the result of Unavoidable Delay as defined in Section 7.8.1. The maximum extension of the Final Termination Date shall be 90 days from the Closing Date. If the Agreement is terminated for failure of satisfaction of any of the conditions precedent, and such failure is not the result of a breach of this Agreement by either Party, then the obligations of the Parties to each other under this Agreement shall terminate, with neither obligations nor remedies accruing to either Party.

1.7 **Multnomah County Representations and Warranties.** Multnomah County represents that, except as disclosed in Seller's Documents:

1.7.1 Except as has been disclosed to HAP in the Environmental Report and to Multnomah County's knowledge, there has been no generation, manufacture, refinement, transportation, treatment, storage, handling, disposal, transfer, Release or production of Hazardous Substances, or other dangerous or toxic substances or solid wastes on the Property, or underground storage tanks existing on the Property, except in compliance with Environmental Laws currently in effect, and Multnomah County has not received notice of the Release of any Hazardous Substances on the Property.

1.7.2 Multnomah County has full power and authority to enter into and perform this Agreement in accordance with its terms, and all requisite action has been taken by Multnomah County in connection with the execution of this Agreement and the transactions contemplated hereby.

1.7.3 Multnomah County is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended.

1.7.4 To Multnomah County's knowledge, there is no litigation, action, suit, or any condemnation, environmental, zoning, or other government proceeding pending or threatened, which may affect the Property, Multnomah County's ability to perform its obligations under this Agreement or HAP's ability to perform the Project except that HAP is advised that the City of Portland Fire Marshall has determined that additional fire safety improvements are required to be installed at the Property.

1.7.5 Except as provided herein or otherwise disclosed in writing, to Multnomah County's knowledge, Multnomah County has not received or given any notice stating that the Property is in violation of any applicable laws, rules, regulations, ordinances and other governmental requirements; provided, however that Multnomah County makes no representation as to the availability or suitability of utility connections to the Property. HAP acknowledges, in particular, that the electrical service to the building is not adequate for the Project.

1.7.6 No representation, warranty or statement of Multnomah County in this Agreement or any of the exhibits attached contains any untrue statement of a material fact or omits a material fact necessary to make the statements of facts contained herein not misleading.

1.7.7 To Multnomah County's knowledge, as of the date hereof, there are no defaults by Multnomah County under this Agreement or events that with the passage of time would constitute a default of Multnomah County under this Agreement.

1.7.8 The existing building(s) on the Property currently are, and have been since May 2007 vacant.

1.7.9 As used in this section, "**Multnomah County's knowledge**" shall mean the actual knowledge of the managerial and supervisory personnel of Multnomah County having direct responsibility for the supervision of the Property, without any duty of inquiry or investigation.

1.8 HAP Representations and Warranties. HAP represents that:

1.8.1 HAP has full power and authority to enter into and perform this Agreement in accordance with its terms, and HAP has taken all requisite action in connection with the execution of this Agreement and the transactions contemplated hereby.

1.8.2 No representation, warranty or statement of HAP in this Agreement or any of the exhibits attached contains any untrue statement of a material fact or omits a material fact necessary to make the statements of facts contained herein not misleading.

1.8.3 As of the date hereof there are no defaults by HAP under this Agreement or events that with the passage of time would constitute a default of HAP under this Agreement.

1.8.4 HAP enters into this Agreement without reliance upon any verbal representation of any kind by Multnomah County, its employees, agents or consultants regarding any aspect of the Property, the Project, its feasibility, financing or compliance with any governmental regulation.

2. PREPARATION OF THE PROPERTY

2.1 **Permits.** HAP, at its own cost, will design, perform, fund and obtain permits for the Project.

2.1 **Termination of Leases; Relocation of Tenants.** Multnomah County represents and warrants that there are no tenants of the Property and that all leases with respect to the Property (and any part thereof) have expired or have otherwise been terminated. Multnomah County agrees that it will not lease any portion of the Property to any tenant after the Effective Date.

2.2 **Utility Service.** Multnomah County makes no representation as to the availability or suitability of utility connections to the Property. HAP shall pay any and all costs of removal, installation, connection, or upgrade of new or existing utilities to serve the Project.

2.3 **Subsurface and Surface Conditions.** The Property shall be conveyed from Multnomah County to HAP in "as is" condition. Except as otherwise specifically provided in this Agreement, Multnomah County makes no warranties or representations as to the suitability of the soil conditions or any other conditions of the Property for any improvements to be performed by HAP, and, except for representations and warranties otherwise provided by Multnomah County in this Agreement, HAP warrants that it has not relied on any representations or warranties made by Multnomah County as to the environmental condition, the suitability of the soil conditions or any of the conditions of the Property for any improvements to be performed by HAP. Except for breach of any of Multnomah County's representations and warranties expressly set forth in this Agreement, HAP agrees that Multnomah County will not be liable for any loss, cost or damage that may be caused or incurred by HAP by reason of any such soil or physical conditions on the Property. Multnomah County shall allow HAP free access to Multnomah County's records with respect to such conditions.

2.4 **Plan Review and Approval.** HAP shall submit plans to Multnomah County for review and approval prior to the Closing Date. Multnomah County's approval shall be limited to a determination whether the plans describe facilities that are adequate to provide the Services described in Exhibit D, with the number and configuration of units described in Exhibit C.

3. COMPLETION OF PROJECT

3.1 **Project Financing.** HAP will be responsible for obtaining all financing and equity funds necessary to acquire the Property and complete the Project.

3.2 **Diligent Completion.** Subject to the terms and conditions of this Agreement, HAP covenants to diligently pursue and complete the Project within sixteen (16) months after the Closing Date, subject to Unavoidable Delays as provided in Section 7.8.1.

3.3 **Inspection and Property Access.** Multnomah County has, as of the date of this Agreement, provided HAP with a written permit of entry ("Permit of Entry") to allow HAP and HAP's employees, agents and consultants to enter upon the Property at all times to carry out the purposes of this Agreement. Such permit shall remain in effect until Closing.

3.4 **Use of the Property.** HAP covenants and agrees for itself, its successors, its assigns and every successor-in-interest to the Property or any part thereof, that upon completion of the Project, HAP or such successors and assignees will devote the Property (a) to use as Affordable Housing throughout the Extended Use Period and (b) to use as Permanent Supportive Housing for which Services consistent with the provisions of Exhibits C and D are provided for at least thirty (30) years after the Certificate of Initial Compliance is issued; provided, however, that HAP's covenant is subject to any reduction of funding by any governmental entity of any of the programs or sources described in Exhibit D and the other provisions of Section 7.8.1. This Section 3.4 shall run with the land and survive the issuance of any Certificate of Initial Compliance.

3.5 **Project Completion.** The project shall be deemed complete ("Project Completion") when the work described in the building permits issued by the City of Portland has been approved by City of Portland, as evidenced by the City's granting of one or more temporary certificates of occupancy for the Project.

3.6 **Staffing and Operation of Project.** HAP covenants and agrees that from and after the Effective Date, HAP's Executive Director will be the full-time representative with authority to act on behalf of HAP (or the Tax Credit Entity), or will notify Multnomah County in writing if another person has been given such authority. Until the Property is sold or leased to the Tax Credit Entity, HAP will own, operate and maintain the Project at its sole cost and expense.

3.7 **Certificate of Initial Compliance.**

3.7.1 **When HAP is Entitled to Certificate of Initial Compliance.** Upon HAP's request after Project Completion, Multnomah County will furnish HAP with a Certificate of Initial Compliance for the Project substantially in the form attached hereto as Exhibit E.

3.7.2 Meaning and Effect of the Certificate of Initial Compliance. The Certificate of Initial Compliance shall provide for termination of obligations under this Agreement and limitation of remedies of Multnomah County as expressly provided for therein.

3.7.3 Form of Certificate of Initial Compliance; Procedure Where Multnomah County Refuses to Issue. A Certificate of Initial Compliance shall be in the form attached as Exhibit E. If Multnomah County refuses or fails to provide a Certificate of Initial Compliance in accordance with this section, then Multnomah County, within fifteen (15) days after HAP provides a written request together with reasonably satisfactory proof of Project Completion, shall provide HAP with a written statement indicating in detail in what respects HAP has failed to provide such proof of Project Completion and what measures or acts HAP must take or perform to obtain such Certificate of Initial Compliance. Multnomah County's failure to furnish HAP with such detailed written statement within such fifteen (15) day period shall be deemed Multnomah County's approval of HAP's request for the Certificate of Initial Compliance.

4. ENVIRONMENTAL MATTERS

4.1 Indemnification. HAP shall be responsible for compliance with all Environmental Laws with respect to its business and the operation of the Project from and after the Closing Date, except for matters caused in whole or in part by the act or failure to act of Multnomah County, its employees, agents, contractors, or invitees.

4.1.1 Except for matters caused in whole or in part by the act or failure to act of Multnomah County, its employees, agents, contractors, or invitees, or the falsity of any representation or warranty of Multnomah County set forth in this Agreement, HAP, subject to the conditions and limitations of Article XI, Section 10 of the Oregon Constitution and the monetary limits of the Oregon Tort Claims Act, ORS 30.260 through 30.300, shall defend, indemnify and hold harmless Multnomah County, its successors and assigns, against any and all damages, claims, losses, liabilities and expenses, including, without limitation, reasonable legal, accounting, consulting, engineering and other expenses which may be imposed on or incurred by Multnomah County, its successors or assigns, or asserted against Multnomah County, its successors or assigns, by any other party or parties, including, without limitation, a governmental entity, arising out of or in connection with any violation of Environmental Laws by HAP after the Closing.

4.1.2 Except for matters caused in whole or in part by the act or failure to act of HAP, its employees, agents, contractors, or invitees, Multnomah County, subject to the conditions and limitations of Article XI, Section 10 of the Oregon Constitution and the monetary limits of the Oregon Tort Claims Act, ORS 30.260 through 30.300, shall defend, indemnify and hold harmless HAP, its successors and assigns, against any and all damages, claims, losses, liabilities and expenses, including, without limitation, reasonable legal, accounting, consulting, engineering and other expenses which may be imposed on or incurred by HAP, its successors or assigns, or asserted against HAP, its successors or assigns, by any other party or parties, including, without limitation, a governmental entity, arising out of or in connection with any violation of Environmental Laws by Multnomah County before the Closing.

The indemnities set forth in this Section 4.1 shall survive the termination of this Agreement and the issuance of any Certificate of Initial Compliance.

4.2 **Contribution.** The foregoing indemnity does not limit any rights of contribution that the Parties may have against others under applicable law or agreement. The indemnity is intended only as an allocation of responsibility between the Parties to this Agreement.

5. ASSIGNMENT PROVISIONS

5.1 **Transfers before Certificate Issuance.** Because it is a governmental entity, Multnomah County is uniquely benefited by the Project. HAP is uniquely qualified to perform the Project. Except as provided in Section 5.2, HAP shall not, prior to the issuance of the Certificate of Initial Compliance, partially or wholly dispose of or agree to dispose of HAP's interest in this Agreement without the prior written approval of Multnomah County.

5.1.1 Multnomah County may require as conditions to such approval that:

- (a) The transfer is not in violation of other provisions of this Agreement; and
- (b) Any proposed transferee shall have qualifications and financial responsibility acceptable to Multnomah County in its sole discretion; and
- (c) The transfer will not cause a material delay in the completion of the Project.

5.1.2 This prohibition will not apply to (a) any sale of the Property at foreclosure (or a conveyance of the Property in lieu of foreclosure) pursuant to foreclosure thereof by a lender.

5.1.3 The provisions of this Agreement (including, without limitation, this Section) will not prevent, prior to the issuance of the Certificate of Initial Compliance, the granting of easements, licenses or permits to facilitate the Project provided that all such easements, licenses or permits shall be subject to the prior approval of Multnomah County, which approval shall not be unreasonably delayed or withheld.

5.2 **Approved Transfers before Certificate Issuance.** Notwithstanding Section 5.1 above, and provided that HAP provides Multnomah County with copies of all agreements (or drafts thereof) related to the transfer at least fifteen (15) days prior to the effective date of the proposed transfer, and any other information reasonably necessary for Multnomah County to determine whether such transfer complies with the requirements of this Agreement, Multnomah County hereby consents to:

5.2.1 Any Mortgage(s) which HAP may cause to attach to the Property prior to Multnomah County's issuance of the final Certificate of Initial Compliance, provided that Multnomah County has approved the terms of the Mortgage, which approval shall not be unreasonably withheld;

5.2.2 Any transfer of all or a part of the Project or other rights in the Project to any Affiliate of HAP, provided that no provisions of the transfer are in violation of the terms of this Agreement; and

5.2.3 **Transfer to the Tax Credit Entity.** In the event of such transfer, HAP shall remain fully responsible to Multnomah County for the performance of this Agreement through Multnomah County's issuance of the final Certificate of Initial Compliance for the Project.

5.3 **Transfers after Certificate Issuance.** After Multnomah County's issuance of a Certificate of Initial Compliance for the Project, HAP may transfer its interest, or portions of its interest in the Project or this Agreement, without restriction, consent or approval by Multnomah County, provided such transfer is subject to the requirements of Section 3.4.

6. PERMITTED MORTGAGES

6.1. **Effect of Post-Conveyance Rights on Mortgages.** Any and all other post-conveyance rights and remedies of Multnomah County pursuant to this Agreement shall always be subordinate and subject to and limited by, and shall not defeat, render invalid, or limit in any way any lien, Mortgage, or security interest approved by Multnomah County and authorized by this Agreement.

6.2. **Mortgagee Not Obligated To Complete.** Notwithstanding any of the provisions of the Agreement, the Mortgagee or its designee, nor the Investor, for purposes of acquiring title at foreclosure shall in no way be obligated by the provisions of this Agreement to complete the Project or to guarantee such completion.

6.3. **Copy of Notice of Default to Mortgagee and Investor.** If Multnomah County delivers any notice or demand to HAP with respect to any breach of or default by HAP in its obligations or covenants under this Agreement, Multnomah County shall at the same time send a copy of such notice or demand to Investor at the last address provided in writing by Investor to Multnomah County, and to each Mortgagee approved by Multnomah County at the last address of such Mortgagee shown in the records of Multnomah County.

6.4. **Mortgagee's and Investor's Options to Cure Defaults.** After any default in or breach of this Agreement by HAP where HAP fails to cure or remedy said default or breach, each Mortgagee and Investor may, at its option, cure or remedy such breach or default within thirty (30) days after passage of the latest date for HAP's cure of the default, or such longer period as may be required to cure the default with diligence, and if permitted by the Mortgagee's loan documents, a Mortgagee may add the cost thereof to the Mortgage debt and the lien of its Mortgage. If the breach or default is with respect to completion of the Project, nothing contained in this Agreement shall be deemed to prohibit the Investor or a Mortgagee, either before or after foreclosure or action in lieu thereof, from completing the Project, provided that the Investor or Mortgagee notifies Multnomah County in writing of its intention to complete the Project in accordance with this Agreement. Any Investor or Mortgagee who properly completes the Project and is substantially providing the Services shall be entitled to issuance of a Certificate of Initial Compliance, upon written request made to Multnomah County following the procedures set forth in Section 3.7 above.

6.5. Amendments or Subordination Agreements Requested by Mortgagee or Investor. Multnomah County shall execute amendments to this Agreement or separate agreements to the extent reasonably requested by the Investor, or Mortgagee proposing to make a loan to HAP (or the Tax Credit Entity) secured by a security interest in all or any part of the Property and/or the Project, provided that such proposed amendments or other agreements do not materially and adversely affect the rights of Multnomah County with respect to the Property. Multnomah County agrees to execute a standard form of mortgage subordination relating to the Property presented by any proposed Mortgagee with respect to a Mortgage. Multnomah County may require that Multnomah County be made an additional beneficiary of any restrictive use or other covenants required by a proposed Mortgagee as a condition of Multnomah County's subordination.

7. DEFAULT; REMEDIES

7.1. Default and Cure.

7.1.1. Default by HAP. A default shall occur if HAP breaches any material provision of this Agreement, whether by action or inaction, and such breach continues and is not remedied within thirty (30) days after HAP receives written notice from Multnomah County specifying the breach. In the case of a breach which cannot with due diligence be cured within a period of thirty (30) days, a default shall occur if HAP does not commence the cure of the breach within thirty (30) days after HAP receives written notice from Multnomah County and thereafter diligently prosecute to completion such cure within one hundred twenty (120) days after the written notice from Multnomah County. A default also shall occur if HAP makes any assignment for the benefit of creditors, or is adjudicated a bankrupt, or has a receiver, trustee or creditor's committee appointed over it that is not removed within sixty (60) days after appointment. Default shall occur, and Multnomah County shall be irreparably harmed by such default, if HAP or its assignee does not substantially provide the Services; provided, however, no such default shall be deemed to have occurred if the Services are reduced, or can no longer be provided, due to a reduction of funding by any governmental entity of any of the programs or sources described in Exhibit D and the other provisions of Section 7.8.1. HAP shall not be in default hereunder for failure to pay any tax, assessment, lien or other charge if HAP in good faith is contesting the same and has furnished an appropriate bond or other undertaking to assure payment in the event HAP's contest is unsuccessful.

7.1.2. Default by Multnomah County. A default shall occur if Multnomah County breaches any material provision of this Agreement including, without limitation, Multnomah County's failure to perform any obligation which is the responsibility of Multnomah County when such performance is due, whether by action or inaction, and such breach continues and is not remedied within thirty (30) days after Multnomah County receives written notice from HAP specifying the breach or, in the case of a breach which cannot with due diligence be cured within a period of thirty (30) days, if Multnomah County shall not within such thirty (30) day period commence the cure of the breach and thereafter diligently prosecute to completion such cure within one hundred twenty (120) days after written notice from HAP.

7.2. Multnomah County's Pre-Conveyance Remedies. If HAP defaults in any material term of this Agreement before the Property is conveyed to HAP, Multnomah County

may, at its option: (i) terminate this Agreement by written notice to HAP, without waiving any cause of action Multnomah County may have against HAP; or (ii) seek monetary damages against HAP. If Multnomah County terminates this Agreement as provided in this Section 7.2 then HAP shall deliver to Multnomah County within thirty (30) days after such termination, copies of all environmental and engineering documents related to the Project prepared by HAP or prepared for HAP by unrelated third parties. HAP shall further execute such documents as may be necessary to assign HAP's rights in and to any permits relating to the Project which Multnomah County requests be assigned. Project permits may be used by Multnomah County in any manner that Multnomah County deems appropriate with the consent of any party (other than HAP) having approval rights thereunder.

7.3. Restoration. If, prior to Project Commencement (including the period prior to Closing), HAP modifies the Property and HAP fails to acquire the Property, HAP shall be obligated to restore the Property to the extent, and in the manner, required by the Permit of Entry. Multnomah County shall not be obligated to reimburse HAP for any costs incurred to so modify the Property.

7.4. Multnomah County's Post-Conveyance Remedies. If HAP fails to use the Property as required under Section 3.4 hereof at any time after the completion date in Section 3.2, then Multnomah County may demand in writing that HAP cure such default within sixty (60) days. If HAP does not cure the default within the sixty (60) day period (or in the case that such default is not curable within said sixty (60) day period, if HAP shall have not commenced and be diligently pursuing such cure to completion), then such action or inaction shall create in Multnomah County the following remedies:

7.4.1. Right to Cure. Prior to Multnomah County's issuance of the Certificate of Initial Compliance, Multnomah County has the right to cure HAP's default under this Agreement so long as default is not related to HAP's failure to commence preparations for the Project. In the event Multnomah County cures such default, Multnomah County may make demand upon HAP for reimbursement of all reasonable costs associated with such cure within thirty (30) days of demand. Interest on any such costs shall run at the legal rate in Oregon from the date or dates such costs were incurred.

7.4.2. Right of Legal Action. Multnomah County may, by mandamus or other suit, action or proceeding at law or in equity, require HAP to perform its obligations and covenants under this Agreement or enjoin any acts or things that may be unlawful or in violation of the rights of Multnomah County under this Agreement.

7.4.3. Right of Inspection. Prior to Multnomah County's issuance of the Certificate of Initial Compliance, Multnomah County shall have access to, and may inspect, examine and make copies of, all of the books and records of HAP pertaining to the Project.

7.4.4. Non-Waiver. Any delay by Multnomah County in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights under this Section 7.4 shall not operate as a waiver of such rights or to deprive it of or limit such rights in any way (it being the intent of this provision that Multnomah County should not be constrained because of concepts of waiver, laches or estoppel so as to avoid the risk of being deprived of or limited in

the exercise of the remedy provided in this section or otherwise to exercise such remedy at a time when it may still hope otherwise to resolve the problems created by the default involved); nor shall any waiver in fact made by Multnomah County with respect to any specific default by HAP be considered or treated as a waiver of the rights of Multnomah County with respect to any other defaults by HAP or with respect to any particular default except to the extent specifically waived.

7.4.5. Mortgagee's Rights. Multnomah County's remedies under this Section 7.4 are subject to the rights of a Mortgagee or Investor to cure a default and to the other Mortgagee protections specified in Section 6.

7.5. HAP's Pre-Conveyance Remedies. If Multnomah County fails to perform any obligation under this Agreement, HAP may, at its option: (i) terminate this Agreement by written notice to Multnomah County without waiving any cause of action HAP may have against Multnomah County; (ii) specifically enforce the obligations of Multnomah County under this Agreement; and (iii) seek monetary damages against Multnomah County.

7.6. HAP's Post-Conveyance Remedies. In the event of Multnomah County's material default after Multnomah County conveys the Property to HAP, HAP may specifically enforce the obligations of Multnomah County under this Agreement, and seek monetary damages against Multnomah County.

7.7. Nonexclusive Remedies. The rights and remedies provided by this Agreement shall not be deemed exclusive, except where otherwise indicated, and shall be in addition to any and all rights otherwise available at law or in equity. The exercise by either Party of one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies for the same default or of any of its remedies for any other default by the other Party, including, without limitation, the right to compel specific performance. Any limitation of remedies set forth herein should not limit or affect the obligations of a Party under any contractual indemnities set forth herein.

7.8. Force Majeure.

7.8.1. Neither a Party nor a Party's successor in interest shall be considered in breach of or in default with respect to any obligation created hereunder or progress in respect thereto if the delay in performance of such obligations (the "Unavoidable Delay") is due to causes that are beyond its control, and without its fault or negligence, including but not limited to (a) acts of God, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquake, explosion, mob violence, and riot, (b) inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, (c) litigation or arbitration relating to zoning or governmental action or inaction pertaining to the Project, delay in the issuance of necessary permits for the Project not caused by the fault of HAP, (d) any reduction of funding by any governmental entity of any of the programs or sources described in Exhibit D, (e) any sustained vacancy attributable to the Permanent Supportive Housing units that cannot be mitigated with PSA Risk Mitigation Pool funds available to HAP and which threatens the Property's financial stability, or (f) malicious mischief, unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar events and/or occurrences beyond the control of such Party; provided, however, that

Multnomah County may not rely on the references herein to acts of the government or governmental action or inaction to excuse its own delays.

7.8.2. It is the purpose and intent of this provision that, in the event of the occurrence of any such Unavoidable Delay, the time or times for performance of the obligations of Multnomah County or HAP, as the case may be, shall be extended for the period of the Unavoidable Delay; provided, however, that the Party seeking the benefit of this Section shall, within five (5) after the Party becomes aware of the causes of any such Unavoidable Delay, notify the other Party in writing of the cause or causes of the delay and the estimated time of correction. The period(s) of Unavoidable Delay for matters listed Section 7.8.1 shall not exceed 180 days in the aggregate during any one-year period.

8. MISCELLANEOUS PROVISIONS

8.1. **Discrimination.** HAP, for itself and its successor and assigns, agrees that during the preparations for the Project, HAP will not discriminate against any employee or applicant for employment because of race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, gender identity or source of income.

8.2. **Notice.** Any notice or communication under this Agreement by either Party to the other shall be deemed given and delivered (a) forty-eight (48) hours after being dispatched by registered or certified U.S. mail, postage prepaid, return receipt requested, or (b) when received if personally delivered, and:

In the case of a notice to HAP, addressed as follows:

Housing Authority of Portland
135 SW Ash Street
Portland, OR 97204
Attn. Executive Director

with a copy to:

Jeff Nave
Foster Pepper PLLC
422 W. Riverside Ave., Suite 1310
Spokane, WA 99201-0302

In the case of a notice to Investor, addressed as follows:

Enterprise Community Investment, Inc.
10227 Wincopin Circle
Columbia, MD 21044
Attn: General Counsel

with a copy to:

Craig Emden
Bocarsly, Emden, Cowan, Esmail & Arndt LLP
7200 Wisconsin Avenue, Suite 900
Bethesda, MD 20814

In the case of a notice or communication to Multnomah County, addressed as follows:

Director, Department of County Human Services
421 SW Oak
Portland, OR 97204

and

Director, Multnomah County Facilities and Property Management
401 North Dixon
Portland, Oregon 97227

with a copy to:

Multnomah County Attorney
501 SE Hawthorne Blvd., Suite 500
Portland, OR 97214

or addressed in such other way in respect to either Party as that Party may, from time to time, designate in writing dispatched as provided in this Section. Notice given in any other manner shall be effective upon receipt by the Party for whom the same is intended.

8.3. **Merger.** None of the provisions of this Agreement are intended to or shall be merged by reason of any Deed transferring title to the Property from Multnomah County to HAP or any successor in interest, and any such Deed shall not be deemed to affect or impair the provisions and covenants of this Agreement, but shall be deemed made pursuant to this Agreement.

8.4. **Headings.** Titles of the sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

8.5. **Waivers.** No waiver made by either Party with respect to the performance, or manner or time thereof, of any obligation of the other Party or any condition inuring to its benefit under this Agreement shall be considered a waiver of any other rights of the Party making the waiver. No waiver by Multnomah County or HAP of any provision of this Agreement or any breach thereof shall be of any force or effect unless in writing; and no such waiver shall be construed to be a continuing waiver.

8.6. **Attorneys' Fees.** If a suit, action, arbitration, or other proceeding of any nature whatsoever, including, without limitation, any proceeding under the U.S. Bankruptcy Code, is

instituted to interpret or enforce any provision of this Agreement, or with respect to any dispute relating to this Agreement, including, without limitation, any action in which a declaration of rights is sought or an action for rescission, the prevailing party shall be entitled to recover from the losing party its reasonable attorneys', paralegals', accountants', and other experts' fees and all other fees, costs and expenses actually incurred and reasonably necessary in connection therewith, as determined by the judge or arbitrator at trial or arbitration, as the case may be, or on any appeal or review, in addition to all other amounts provided by law. This provision shall cover costs and attorney fees related to or with respect to proceedings in Federal Bankruptcy Courts, including those related to issues unique to bankruptcy law.

8.7. **Choice of Law.** Oregon law shall govern this Agreement.

8.8. **Construction.** In construing this Agreement, singular pronouns shall be taken to mean and include the plural and the masculine pronoun shall be taken to mean and include the feminine and the neuter, as the context may require.

8.9. **Legal Purpose.** HAP agrees that it shall use the Property solely for lawful purposes.

8.10. **Severability.** If any clause, sentence or any other portion of the terms and conditions of this Agreement becomes illegal, null or void for any reason, the remaining portions will remain in full force and effect to the fullest extent permitted by law,

8.11. **Entire Agreement.** This Agreement and the attachments hereto are the entire agreement between the Parties. There is no other oral or written agreement between the Parties with regard to this subject matter. There are no oral or written representations made by either Party, implied or express, other than those contained in this Agreement.

8.12. **Amendments and Modifications.** Any modifications to this Agreement shall be made in writing and executed by both Parties, and approved by Multnomah County. The Parties recognize that circumstances may change and that it may be in the interest of both Parties that this Agreement be amended from time to time. For this reason, each Party will consider changes that may be proposed by the other during the term of this Agreement. The Chair, Multnomah County Board of County Commissioners shall have the authority to approve modifications to this Agreement on behalf of Multnomah County.

8.13. **Successors and Assigns.** Subject to the provisions of Section 5, the benefits conferred by this Agreement, and the obligations assumed hereunder, shall inure to the benefit of and bind the successors and assigns of the Parties.

8.14. **Place of Enforcement.** Any action or suit to enforce or construe any provision of this Agreement by any Party shall be brought in the Circuit Court of the State of Oregon for Multnomah County, or the United States District Court for the District of Oregon in Portland, Oregon.

8.15. **No Partnership.** Nothing contained in this Agreement or any acts of the Parties hereby shall be deemed or construed by the Parties, or by any third person, to create the

relationship of principal and agent, or of partnership, or of joint venture, or any association between any of the Parties.

8.16. Non-waiver of Government Rights. Subject to the terms and conditions of this Agreement, by making this Agreement and delivery of the Deed, Multnomah County is specifically not obligating itself or any other agency with respect to any discretionary action relating to preparations for or operation of the Project, including, but not limited to funding of Services, or rezoning, variances, environmental clearances or any other governmental approvals which are or may be required, except as expressly set forth herein.

8.17. Approvals. Where approvals of Multnomah County are required, Multnomah County will approve or disapprove within fifteen (15) business days after receipt of the material to be approved, except where a longer or shorter time period is specifically provided to the contrary. If Multnomah County fails to approve or disapprove within the second 15-day period, such Multnomah County failure shall be deemed an approval. Any disapproval shall state in writing the reasons for such disapproval. Approvals will not be unreasonably withheld, except where rights of approval are expressly reserved to Multnomah County's sole discretion in this Agreement. HAP, upon receipt of such disapproval, shall revise such disapproved portions in a manner responsive to the stated reasons for disapproval and resubmit the same to Multnomah County within forty-five (45) days after receipt of the notice of disapproval.

8.18. Approval by Multnomah County. Unless specified to the contrary elsewhere in this Agreement as to a particular consent or approval, whenever consent or approval by Multnomah County is required under the terms of this Agreement, all such consents or approvals shall be given in writing from the Chair, Board of County Commissioners or from such other Multnomah County staff as the Chair has designated to give approvals.

8.19. Recording of Memorandum of Agreement. So long as HAP is not in default herein HAP may at any time record a Memorandum of this Agreement. The form of the Memorandum of Agreement is attached as Exhibit F to this Agreement. When Multnomah County issues to HAP a Certificate of Initial Compliance or if the Agreement is terminated, the Parties shall cooperate to promptly execute and record an appropriate amendment to this Agreement or termination of Agreement to reflect the issuance of the Certificate of Initial Compliance or the termination of this Agreement as the case may be.

8.20. Calculation of Time. All periods of time referred to herein shall include Saturdays, Sundays, and legal holidays in the State of Oregon, except that if the last day of any period falls on any Saturday, Sunday or legal holiday, the period shall be extended to include the next day which is not a Saturday, Sunday or legal holiday. All periods of time shall be deemed calendar days unless specifically designated as Business Days. Business Days shall mean Monday through Friday excluding state or federal legal holidays.

8.21. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

8.22. Good Faith and Reasonableness. The Parties intend that the obligations of good faith and fair dealing apply to this Agreement generally and that no negative inferences be drawn by the absence of an explicit obligation to be reasonable in any portion of this Agreement. The obligation to be reasonable shall only be negated if arbitrariness is clearly and explicitly permitted as to the specific item in question, such as in the case of a Party being given "sole discretion" or "sole judgment."

8.23. Dispute Resolution. Except as provided below, all disputes arising out of or related to this Agreement shall be subject to mediation as a condition precedent to the institution of legal proceedings. The Parties shall endeavor to resolve any disputes initially by mediation. The mediator shall be an individual mutually acceptable to the Parties. A request for mediation shall be filed in writing with the other Party. The Parties shall share the mediator's fee and any filing fees, equally. The mediation shall be held in Portland, Oregon at a location mutually acceptable to the Parties. The mediation hearing shall occur within thirty (30) days of the request for mediation. Notwithstanding the foregoing, the Parties shall not be required to submit to mediation any claims in equity, such as claims for injunctive relief.

8.24. Time is of the Essence of this Agreement.

8.25. STATUTORY WARNING. THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR ORS 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 and 195.305 to 195.336 and SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007.

Executed in multiple counterparts as of the day and year first above written.

[signature pages follow]

Multnomah County:

MULTNOMAH COUNTY, a political subdivision
of the State of Oregon

By: _____
_____, Chair of the Board of County
Commissioners

STATE OF OREGON)
) ss.
COUNTY OF MULTNOMAH)

The foregoing instrument was personally acknowledged before me this ____ day of _____, 2009, by _____, who being duly sworn, did say that he or she is the Chair of the Board of County Commissioners of Multnomah County, a political subdivision of the State of Oregon, and that the foregoing instrument was signed on behalf of said political subdivision, and acknowledged said instrument to be its voluntary act and deed.

Notary Public for Oregon
My Commission expires: _____

Reviewed:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY

John S. Thomas
Deputy County Attorney

HAP:

**HOUSING AUTHORITY OF PORTLAND, a
public body corporate and politic of the State of
Oregon**

By: _____
Steven D. Rudman, Executive Director

STATE OF OREGON)
) ss.
COUNTY OF MULTNOMAH)

The foregoing instrument was personally acknowledged before me this ____ day of _____, 2009, by Steven D. Rudman, who being duly sworn, did say that he is the Executive Director of the Housing Authority of Portland, a public body corporate and politic of the State of Oregon, and that the foregoing instrument was signed on behalf of said housing authority, and acknowledged said instrument to be its voluntary act and deed.

Notary Public for Oregon
My Commission expires: _____

EXHIBIT A

LEGAL DESCRIPTION

Lots 1, 2, 3 and the North 10 feet of Lot 4, Block 262, CITY OF PORTLAND, in the City of Portland, County of Multnomah and State of Oregon.

**EXHIBIT B
DEED FORM**

After recording return to, and until a change is requested, all tax statements shall be sent to the the following address:

Housing Authority of Portland
Attn. Development and Community Revitalization
135 S.W. Ash Street
Portland, OR 97204

**BARGAIN AND SALE DEED
(Statutory Form)**

Multnomah County, a political subdivision of the state of Oregon, Grantor, conveys to the Housing Authority of Portland, a public body corporate and politic of the State of Oregon, Grantee, the following described real property:

See Attached Exhibit 1

The true consideration for this conveyance is \$ 0. However, the actual consideration consists of or includes other property or value given or promised which is the whole consideration.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 and 195.305 to 195.336 and SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR ORS 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 and 195.305 to 195.336 and SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007.

Dated this ____ day of _____, 2009.

MULTNOMAH COUNTY, a political subdivision
of the State of Oregon

By: _____
_____, Chair of the Board of County
Commissioners

STATE OF OREGON)
) ss.
COUNTY OF MULTNOMAH)

The foregoing instrument was personally acknowledged before me this ____ day of _____, 2009, by _____, who being duly sworn, did say that he or she is the Chair of the Board of County Commissioners of Multnomah County, a political subdivision of the State of Oregon, and that the foregoing instrument was signed on behalf of said political subdivision, and acknowledged said instrument to be its voluntary act and deed.

Notary Public for Oregon
My Commission expires: _____

Exhibit 1

Legal Description

Lots 1, 2, 3 and the North 10 feet of Lot 4, Block 262, CITY OF PORTLAND, in the City of Portland, County of Multnomah and State of Oregon.

EXHIBIT C
PREPARATION OF THE PROPERTY

The Project consists of preparation of the Property as follows:

1. The Project facility shall consist of an 108-unit housing complex consisting of 90 studio and 18 one-bedroom apartments designated as follows:
 - 57 Affordable Housing units
 - 25 Permanent Supportive Housing units for individuals with mental health and/or addiction issues,
 - 25 Permanent Supportive Housing units for chronically homeless individuals, and
 - 1 unit (one-bedroom apartments) for a live-in apartment manager.
2. The Project includes all of the planning, design, engineering, financing and construction activities necessary to complete the Project.
3. The Project includes all of the preparation of the Property as required by governmental authorities with jurisdiction over the Property in order to provide the Services from the Property.

Upon completion of the Project, HAP shall offer the Services described in Exhibit D to the eligible populations described therein.

EXHIBIT D SERVICES

- 1 The following services shall be provided to serve all individuals occupying units at the Property:
 - 1.1 Establish a pro-social, creative community to promote a safe and healthy environment at the Property, and actively promote a positive peer culture throughout the Property.
 - 1.2 Focus on linkages and referrals to community resources, link tenants to services, lead education and recovery groups, and work with property management to promote lease compliance.
 - 1.3 Supervise program staff and coordinate services at the Property.
- 2 The following additional services shall be provided to chronically homeless individuals occupying Permanent Supportive Housing units:
 - 2.1 These services will be arranged by HAP through CCC and/or other sponsor organizations with qualifications similar to those of CCC on the date hereof.
 - 2.2 Appropriate level of case management and housing retention services.
 - 2.3 Services will be individualized by resident and will consist of individual and group work in addition to consultation and coordination with other on-site program staff.
 - 2.4 The services focus will be on recovery-oriented services, assistance in obtaining and/or maintaining available benefits, support with developing or retaining familial ties, and supportive counseling.
 - 2.5 A major focus of case management will be to support tenants in obtaining and utilizing the skills needed to live independently.
- 3 The following additional services shall be provided to individuals with mental health and addictions issues who are occupying Permanent Supportive Housing units:
 - 3.1 These services will be arranged by HAP through sponsor organizations with qualifications similar to those of CCC on the date hereof.
 - 3.2 Appropriate level of case management and housing retention services.
 - 3.3 Services will be individualized by resident and will consist of individual and group work in addition to consultation and coordination with other on-site program staff.

- 4 HAP will attempt to use, to the extent practicable, the following rent subsidies to provide housing for as many PSH tenants as possible who are unable to pay rent from other income:
 - 4.1 Project-based Section 8.
 - 4.2 Shelter+Care vouchers through CCC's Community Engagement Program, if and as they become available.
 - 4.3 Shelter+Care vouchers through other providers in the community serving a population appropriate from residency in the building, if and as they become available.
 - 4.4 Public Housing Operating Subsidy.
 - 4.5 Other sources, if and as they become available.
- 5 HAP will make reasonable efforts to pursue other resources that can further enhance services at the Property.

EXHIBIT E
CERTIFICATE OF INITIAL COMPLIANCE

MULTNOMAH COUNTY (the "County"), a political subdivision of the State of Oregon, hereby certifies that the HOUSING AUTHORITY OF PORTLAND ("HAP"), a public body corporate and politic of the State of Oregon, has satisfactorily completed the Project and commenced providing the Services, as such Project and Services are described in the Agreement for Disposition of Property for the Martha Washington Apartments, dated _____, 2009 (herein called the "ADP"), a memorandum of which was recorded in the Records of Multnomah County, Oregon as Document No. _____, on _____, 2009. Capitalized terms used herein without definition shall have the meaning ascribed to them in the ADP.

The County hereby certifies that as of the date of this Certificate, the Services are being performed to the County's satisfaction, except for any insubstantial items which are being addressed by HAP.

This Certificate of Initial Compliance is and shall be a conclusive determination of the satisfaction of all of the agreements, covenants, and conditions contained in the ADP with respect to the obligations of HAP, its successors and assigns, as to the completion of the Project.

Further, any party acquiring, leasing or taking a mortgage, security interest or other interest in the Project or any portion of the Project shall not (because of such purchase or lease) have any obligation under the ADP with respect to the completion of the Project, and

The County shall hereafter not have, nor be entitled to exercise, any rights or remedies or controls that it may otherwise have been entitled to exercise under the ADP with respect to the completion of the Project, or as a result of a default in or breach of any provisions of the ADP relating to completion of the Project by HAP, or by any successors in interest or assigns of HAP. The County specifically reserves the County's right to enforce HAP's obligations under the ADP to provide the Services during the 30-year period described in Section 3.4 of the ADP and to provide Affordable Housing during the Extended Use Period by injunction, order for specific performance, claim for damages, or any other remedy that may be available at law or in equity.

IN WITNESS WHEREOF, the County has caused this instrument to be executed this _____ day of _____, 2009.

MULTNOMAH COUNTY, a political subdivision
of the State of Oregon

By: _____
Name:
Title:

STATE OF OREGON)
) ss.
COUNTY OF MULTNOMAH)

The foregoing instrument was personally acknowledged before me this ____ day of _____, 2009, by _____, who being duly sworn, did say that he or she is the _____ of Multnomah County, a political subdivision of the State of Oregon, and that the foregoing instrument was signed on behalf of said political subdivision, and acknowledged said instrument to be its voluntary act and deed.

Notary Public for Oregon
My Commission expires: _____

EXHIBIT F

Recording requested by
and when recorded return to:

Multnomah County Attorney
501 SE Hawthorne, Suite 500
Portland, OR 97214

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement ("Memorandum") is made as of this ____ day of _____, 2009, by and between MULTNOMAH COUNTY, a political subdivision of the State of Oregon ("County"), and the HOUSING AUTHORITY OF PORTLAND, a public body corporate and politic of the State of Oregon ("HAP").

RECITALS

- A. County is the owner of that certain real property located in the County of Multnomah, State of Oregon, more particularly described on Exhibit 1 (the "Property").
- B. County and HAP entered into an Agreement for Disposition of Property, dated _____, 2009 (the "Agreement"), whereby County agreed to sell, and HAP agreed to purchase, the Property.
- C. The Agreement imposes certain obligations on HAP with respect to preparations for and provision of certain services at the Property (the "Services").
- D. County and HAP now desire to provide constructive notice of the Agreement.

AGREEMENT

- 1. County has agreed to sell, and HAP has agreed to purchase, the Property in accordance with the terms and conditions set forth in the Agreement.
- 2. After conveyance of the Property by County to HAP, the parties have continuing obligations to each other with respect to the provisions of Affordable Housing and the Services, as described in the Agreement.
- 3. This Memorandum may be modified or terminated only as provided in the Agreement.
- 4. This Memorandum has been executed, acknowledged, and recorded solely for the purpose of providing constructive notice of the Agreement. If any inconsistency or conflict arises between the provisions of the Memorandum and the Agreement itself, the terms, conditions, and covenants of the Agreement are to control. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Agreement. This Memorandum may

be executed in one or more counterparts, which when taken together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have executed this Memorandum on the day and year first above written.

“COUNTY”

MULTNOMAH COUNTY, a political
subdivision of the State of Oregon

By: _____

Name: _____

Title: _____

“HAP”

HOUSING AUTHORITY OF PORTLAND, a
public body corporate and politic of the State
of Oregon

By: _____

Steven D. Rudman, Executive Director

STATE OF OREGON)
) ss.
COUNTY OF MULTNOMAH)

The foregoing instrument was personally acknowledged before me this ____ day of _____, 2009, by _____, who being duly sworn, did say that he or she is the _____ of Multnomah County, a political subdivision of the State of Oregon, and that the foregoing instrument was signed on behalf of said political subdivision, and acknowledged said instrument to be its voluntary act and deed.

Notary Public for Oregon

My Commission expires: _____

STATE OF OREGON)
) ss.
COUNTY OF MULTNOMAH)

The foregoing instrument was personally acknowledged before me this ____ day of _____, 2009, by Steven D. Rudman, who being duly sworn, did say that he is the Executive Director of the Housing Authority of Portland, a public body corporate and politic of the State of Oregon, and that the foregoing instrument was signed on behalf of said housing authority, and acknowledged said instrument to be its voluntary act and deed.

Notary Public for Oregon

My Commission expires: _____

Exhibit 1

Lots 1, 2, 3 and the North 10 feet of Lot 4, Block 262, CITY OF PORTLAND, in the City of Portland, County of Multnomah and State of Oregon.

**Multnomah County Board of County Commissioners
R-11: Proposed Martha Washington Transfer to
Housing Authority of Portland**



R-11 RESOLUTION:

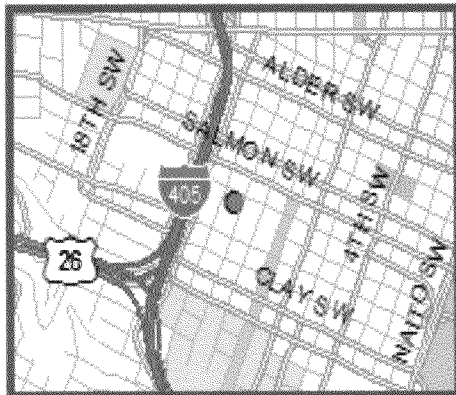
Approving the Conveyance of the Martha Washington Building, 1115 SW 11th Avenue, Portland, Oregon, to the Housing Authority of Portland, for Redevelopment as Affordable and Permanent Supportive Housing Providing Services to County Target Populations

**Joanne Fuller, DCHS
Mike Sublett, FPM
Michael Andrews, HAP**

**Multnomah County Board of County Commissioners
R-11: Proposed Martha Washington Transfer to
Housing Authority of Portland**



**1115 SW 11TH AVE
PORTLAND, OR
97205**



**Multnomah County Board of County Commissioners
R-11: Proposed Martha Washington Transfer to
Housing Authority of Portland**



- Acquired in the mid-1980's
- Declared Surplus in December 2005
- County programs vacated in January 2006
- RFP Process initiated Spring-Summer 2006
- Negotiations with Winkler Development and Cascadia commenced in October 2006
- Final use in May 2007
- Partner change determined prudent in June 2008

**Multnomah County Board of County Commissioners
R-11: Proposed Martha Washington Transfer to
Housing Authority of Portland**



- June 2008 - Preliminary Discussions with Winkler Development, the Housing Authority of Portland,, and Central City Concern on Permanent Supportive Housing in the Martha Washington
- Re-programming efforts during Fall and Winter 2008-9 updating and improving the RFP response
- New bids and drawings Winter 2009; Finance work
- Agreement for Disposition of Property negotiated and finalized for consideration April 2009

**Multnomah County Board of County Commissioners
R-11: Proposed Martha Washington Transfer to
Housing Authority of Portland**



PARTNERS

- Total 108 UNITS – 50 PSH units (30% MFI), including 15 for seriously mentally ill, 10 for MH or addiction issues, and 25 for the chronically homeless. Additional affordable units
- 60 year commitment to affordable housing
- Stable and reliable ownership in another governmental entity, with a substantial neighborhood presence in the West End
- Strong Services Program for Permanent Supportive Housing: Central City Concern

**Multnomah County Board of County Commissioners
R-11: Proposed Martha Washington Transfer to
Housing Authority of Portland**



PARTNERS

- Multnomah County
- Housing Authority of Portland
- Portland Development Commission
- State of Oregon
- Enterprise Community Investment

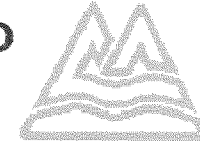
**Multnomah County Board of County Commissioners
R-11: Proposed Martha Washington Transfer to
Housing Authority of Portland**



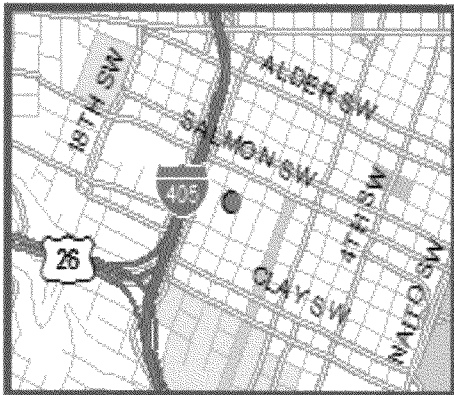
TIMELINE IF APPROVED

- HAP Board: May 19, 2009
- Closing: July 31, 2009
- Move-ins: May 29, 2010

**Multnomah County Board of County Commissioners
R-11: Proposed Martha Washington Transfer to
Housing Authority of Portland**



**1115 SW 11TH AVE
PORTLAND, OR
97205**



BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 09-052

Approving the Conveyance of the Martha Washington Building, 1115 SW 11th Avenue, Portland, Oregon, to the Housing Authority of Portland, for Redevelopment as Affordable and Permanent Supportive Housing Providing Services to County Target Populations

The Multnomah County Board of Commissioners Finds:

- a. By Resolution 05-201, dated December 8, 2005, the Multnomah County Board of Commissioners declared the Martha Washington Building, also known as Martha Washington Apartments, 1115 SW 11th Avenue, Portland, Oregon ("Property") as surplus.
- b. By Resolution 06-036, dated March 30, 2006, the Multnomah County Board of Commissioners directed Facilities and Property Management Division ("Facilities") to develop a Request for Proposal for affordable housing.
- c. By Resolution 06-181, dated October 26, 2006, the Multnomah County Board of Commissioners authorized Facilities to commence negotiation of a disposition agreement with Cascadia Behavioral Healthcare, Inc. ("Cascadia") and Winkler Development Corporation ("Winkler") for the Property based on their response to a Request for Proposal. Facilities was further directed to submit the final agreement to the Board for approval.
- d. In June 2008, it was determined that a disposition agreement with Cascadia was not feasible. The Department of County Human Services ("DCHS"), with support from the County Attorney and Facilities, identified the Housing Authority of Portland ("HAP") as a potential operator of the Property as affordable housing, including a permanent supportive housing component.
- e. Since June 2008, there has been substantial work on building due diligence, development of a plan for services to be provided to future residents of the Property, financing, transfer documentation, and related issues. With substantial support from Winkler, the role of project developer has transitioned to HAP. In addition, DCHS Staff have reviewed and approved the plan for services to be provided by Central City Concern and other agencies at the Property to County target populations, including the homeless, those at risk of homelessness, and those with chronic health conditions.
- f. The attached Agreement for the Disposition of Property has been negotiated by the County Attorney, with review by DCHS and Facilities, with HAP. It is in the

best interests of the County to convey the Property to HAP on the terms and conditions set forth in the attached agreement.

The Multnomah County Board of Commissioners Resolves:

1. It is in the best interests of the County to convey the Property to HAP on the terms and conditions set forth in the attached Agreement for Disposition of Property.
2. The Chair is authorized to execute documents necessary to complete the conveyance of the Property on terms substantially consistent with the attached Agreement for Disposition of Property.

ADOPTED this 7th day of May, 2009.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON



Ted Wheeler, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By



John S. Thomas, Deputy County Attorney

SUBMITTED BY:

Carol M. Ford, Director, Dept. of County Management

**MARTHA WASHINGTON APARTMENTS
AGREEMENT FOR DISPOSITION OF PROPERTY**

between

MULTNOMAH COUNTY

and

HOUSING AUTHORITY OF PORTLAND

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MARTHA WASHINGTON APARTMENTS

AGREEMENT FOR DISPOSITION OF PROPERTY

THIS AGREEMENT FOR DISPOSITION OF PROPERTY (this "Agreement") is made as of _____, 2009, by MULTNOMAH COUNTY ("Multnomah County"), a political subdivision of the State of Oregon, and the HOUSING AUTHORITY OF PORTLAND, a public body corporate and politic of the State of Oregon ("HAP"). Multnomah County and HAP are referred to jointly in this Agreement as "Parties" and individually as a "Party".

RECITALS

1. Multnomah County owns the Martha Washington Apartments located at 1115 SW 11th Avenue, in Portland, Multnomah County, Oregon, the legal description of which is set forth on Exhibit A ("Property").
2. The Parties desire to enter into this Agreement setting forth the terms and conditions under which Multnomah County will convey the Property to HAP in exchange for HAP's agreement to undertake the Project (as defined below) and cause units in the Project to be rented to members of targeted populations pursuant to the terms and conditions of this Agreement.
3. HAP expects to lease, or sell, the Property to a limited partnership or limited liability company (the "Tax Credit Entity") of which HAP is the general partner or managing member for purposes of leveraging investor funds. HAP further expects that the Tax Credit Entity will provide HAP with an option and/or right of first refusal to purchase the Property (or the Tax Credit Entity's leasehold interest in the Property) at the expiration of the 15-year "compliance period" for the Project determined under Section 42 of the Internal Revenue Code of 1986, as amended.
4. As General Partner, HAP will negotiate a Right of First Refusal to purchase the property at the end of the compliance period. HAP will subsequently enter into a mirror-image Right of First Refusal with Central City Concern (CCC), subject to approval and negotiation with Investor. CCC's Right of First Refusal will provide for a reasonable term, to be negotiated by HAP and CCC that is within and less than the term of the Right of First Refusal between HAP and the limited partnership, and will be bound by the limits imposed in such agreement between HAP and the Investor. This is intended to provide CCC a reasonable opportunity to execute the purchase of the Project, including an opportunity to put together the financing needed for the purchase, while also providing HAP fall back opportunity to purchase the Project should CCC be unwilling or unable to do so. The Right of First Refusal between HAP and CCC will mirror the price methodology set forth in the Right of First Refusal between HAP and the limited partnership, and consider HAP's loan or capital contribution to the Project and all transaction costs related to the purchase.
5. Multnomah County finds that HAP's undertakings hereunder will help achieve Multnomah County's goals. Multnomah County also finds that the fulfillment generally

of this Agreement, and the intentions set forth herein, are in the vital and best interests of Multnomah County and the health, safety, and welfare of its residents.

AGREEMENT

The Parties, in consideration of the premises and the agreements set forth herein and for other valuable consideration, the receipt and adequacy of which are hereby acknowledged, covenant and agree as follows:

DEFINITIONS

The following terms have the designated meanings in this Agreement:

1. "Affiliate" means any entity that controls, is controlled by or is under common control with HAP.
2. "Affordable Housing" means residential rental property that is occupied by individuals whose income is, at the time of their initial lease, 60% or less of area median gross income, and for which rent is affordable.
3. "Agreement" means this Agreement for Disposition of Property and all attached Exhibits.
4. "CCC" shall have the meaning set forth in the recitals hereto.
5. "Certificate of Initial Compliance" means a certificate to be issued by Multnomah County to HAP pursuant to Section 3.7 of this Agreement.
6. "Close" or "Closing" means the conveyance to HAP by Multnomah County of the Property by the Deed.
7. "Closing Date" means the date set forth in Section 1.1.2.
8. "Conveyance" means the transfer by Multnomah County to HAP of fee simple title to the Property, by means of the Deed and subject to reversion as provided herein.
9. "Deed" means the form of Bargain and Sale Deed conveying fee simple title to the Property to HAP, substantially in the form attached to this Agreement as Exhibit B.
10. "Effective Date" means the date that both Parties have executed this Agreement.
11. "Environmental Abatement" means the testing for and lawful disposition of all Hazardous Substances on the Property (including asbestos, lead paint, and PCBs, if any) as required prior to commencement of the Project in compliance with Environmental Laws.
12. "Environmental Laws" means all federal, state and local laws, ordinances, rules and regulations pertaining to the protection or regulation of the environment that apply to the Property, including without limitation, ORS chapter 466, OAR Chapter 341, RCRA

(defined herein), CERCLA (defined herein), the Safe Drinking Water Act, the Clean Air Act, the Clean Water Act, and the Toxic Substances Control Act.

13. "Environmental Report" means the "Phase I Environmental Site Assessment" dated August 23, 2005 prepared by Ash Creek Associates for the Portland Development Commission, as updated by a "level 1" update dated April 18, 2008, and a "level 2" update dated May 17, 2008.
14. "Escrow Agent" means Fidelity National Title, 900 SW 5th Avenue, Portland, Oregon 97204 (Attn: Karleen M Huggins).
15. "Extended Use Period" means a period of sixty (60) years commencing with the date of issuance of the Certificate of Initial Compliance.
16. "Final Permitted Exceptions" shall have the meaning set forth in Section 1.4.2.
17. "Final Termination Date" shall have the meaning set forth in Section 1.6.3.
18. "Hazardous Substances" means any pollutant, dangerous substance, toxic substance, asbestos, petroleum, petroleum product, hazardous waste, hazardous materials or hazardous substances as defined in or regulated by Chapter 466 of the Oregon Revised Statutes, the Resource Conservation Recovery Act, as amended, 42 USC Section 6901, *et seq.* ("RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 USC Section 9601, *et seq.* ("CERCLA"), or any other Environmental Law.
19. "Investor" means, collectively, all limited partners or non-managing members of the Tax Credit Entity.
20. "Mortgage" means a mortgage or deed of trust against the Property, or any portion thereof, approved by Multnomah County and recorded in the real property records of Multnomah County, Oregon.
21. "Mortgagee" means the holder of any Mortgage, approved by Multnomah County, affecting or encumbering the Property or any portion thereof, together with any successor or assignee of such holder. The term "Mortgagee" shall include any Mortgagee as owner of the Property or any part thereof as a result of foreclosure proceedings, or action in lieu thereof, or any insurer or guarantor of any obligation or condition secured by a Mortgage but shall not include (a) any other party who thereafter obtains title to the Property or such part from or through a Mortgagee or (b) any other purchaser at foreclosure sale other than a Mortgagee.
22. "Permanent Housing" means housing with no limit on length of stay and no requirement that tenants move out so long as the tenant(s) is in compliance with their lease and the terms of the restrictive covenants applicable to the unit.
23. "Permanent Supportive Housing" means a unit of Permanent Housing that is: (a) subject to restrictive covenants requiring that the unit be affordable to single individual

households with incomes equal to or less than 30% of area median gross income, or multiple individual households with incomes equal to or less than 50% of area median gross income, as defined by the U.S. Department of Housing and Urban Development and the restrictive covenants applicable to the unit; (b) occupied by a person who has access to Services; and (c) occupied by a person or household who is, or was at the time of initial occupancy of the unit, a PSH Tenant.

24. "Permit of Entry" means the permit issued by the County to HAP prior to execution of this Agreement.
25. "Permitted Exceptions" shall have the meaning set forth in Section 1.4.1.
26. "Project" means, depending on the context, (a) rehabilitating the existing structure on the Property, or (b) the apartment complex, as so rehabilitated.
27. "Project Budget" means the chart of sources and uses of funds for the Project and detailed listing of estimated Project costs that will be furnished by HAP to Multnomah County.
28. "Project Completion" shall have the meaning set forth in Section 3.5.
29. "PSH Tenant" means an individual or family: (a) earning up to 30% of area median gross income (for individuals) or 50% of area median gross income (for families); (b) homeless or at risk of homelessness, including those who may be leaving other systems of care (corrections, hospitalization, etc.) without a place to live; (c) with chronic health conditions that are at least episodically disabling (e.g. mental illness, HIV/AIDS, and substance use issues) or other substantial barriers to housing stability; (d) who would not be able to retain stable housing without tightly linked supportive services; and (e) who is a member of a specific target population.
30. "Release" means releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, disposing or dumping.
31. "Seller's Documents" shall have the meaning set forth in Section 1.6.1(b)(x).
32. "Services" means those services described in Exhibit D.
33. "Tax Credit Entity" shall have the meaning set forth in the recitals hereto.
34. "Termination Date" shall have the meaning set forth in Section 1.6.2(a).
35. "Title Report" shall have the meaning set forth in Section 1.4.1.
36. "Unavoidable Delay" shall have the meaning set forth in Section 7.8.1.

1. GENERAL TERMS OF CONVEYANCE

1.1 Conveyance by Deed.

1.1.1 **Deed.** Subject to the terms, covenants and conditions of this Agreement, at Closing Multnomah County will convey the Property by the Deed to HAP.

1.1.2 **Closing.** The conveyance of the Property to HAP shall occur in an escrow closing at the office of the Escrow Agent _____, 2009 (the "Closing Date"), subject to extension to not later than the Final Termination Date as provided in Section 1.6.3. or such earlier date as the parties may agree to in writing. At Closing, HAP shall accept such conveyance from Multnomah County.

1.2 **Conveyance of Property.** Upon satisfaction of the Conditions Precedent to Conveyance provided in Section 1.6 hereof, Multnomah County will convey the Property to HAP by Deed.

1.3 **Consideration for Conveyance of the Property.** The sole consideration for the Property is HAP's agreements to rehabilitate the Property so that it is suitable for the uses described in this Agreement, and to cause the Services to be provided at the Project as described in this Agreement.

1.4 **Title Review.**

1.4.1 Within ten (10) days after the Effective Date, Multnomah County will deliver to HAP a preliminary title report from the Escrow Agent and copies of all exception documents (the "Title Report"). HAP will have twenty (20) days after receiving the Title Report to notify Multnomah County in writing if HAP objects to any item in the Title Report. Those items to which HAP does not object are the "Permitted Exceptions". If HAP objects to any item, then Multnomah County shall have twenty (20) days after receiving HAP's written objection to notify HAP in writing of its intention to remove or not remove the objected to exceptions to title prior to Closing. If Multnomah County does not give its response to HAP's objections within the twenty (20) day time period or if Multnomah County refuses to remove any such objected to exceptions, HAP shall have twenty (20) days to terminate this Agreement by written notice to Multnomah County. If HAP does not terminate the Agreement, the exceptions that HAP originally objected to and that Multnomah County refused to remove or failed to respond to will be deemed additional Permitted Exceptions.

1.4.2 From and after the Effective Date, Multnomah County will not suffer or permit any liens, encumbrances or other exceptions to title to the Property without HAP's prior written consent, which consent shall not be unreasonably withheld. HAP may obtain an update to the Title Report at any time prior to the Closing. HAP shall promptly give to Multnomah County a copy of any updated Title Report. HAP may object to Multnomah County in writing to any exceptions (which are not Permitted Exceptions or which have not been approved by HAP as provided in this Section 1.4.2) to title that appear on the updated Title Report as a result of Multnomah County's actions or inactions. Within ten (10) days of HAP's written notice to Multnomah County described in the preceding sentence, Multnomah County shall remove the objected to exceptions to title prior to Closing. If Multnomah County fails to remove any such objected to exceptions, HAP may terminate this Agreement with ten (10) days written notice to Multnomah County or seek extension of the Closing Date pending removal of those exceptions that are capable of removal. The Permitted Exceptions identified and established pursuant to

Section 1.4.1 above together with any exceptions that HAP approves pursuant to this Section 1.4.2 are the "Final Permitted Exceptions".

1.5 Title Insurance, Survey, Property Taxes and Closing Costs.

1.5.1 The Escrow Agent shall deliver to HAP at Closing an ALTA Owner's Policy of Title Insurance covering the Property, subject only to the printed exceptions appearing in an ALTA extended form Owner's Policy of Title Insurance and the Permitted Exceptions, with coverage in an amount equal to \$ _____ (the "Title Policy") or an irrevocable commitment to issue same to HAP. Multnomah County agrees to execute any affidavits or other documents required by the Escrow Agent to enable HAP to obtain such coverage.

1.5.2 HAP shall pay the following costs in connection with Closing: (a) all real estate excise taxes; (b) the premium payable for the standard coverage portion of the Title Policy (excluding, without limitation, any premiums or other charges relating to any extended coverage or endorsements requested by HAP); (c) the costs for recording a Memorandum of this Agreement and the Deed; (d) escrow fees charged by the Escrow Agent; and (e) all other Closing costs. Each Party shall pay the fees of its own attorneys, accountants and other professionals. HAP shall be responsible for the Property's pro-rated share of special assessments, or any payments on special assessments, due after the Closing Date.

1.6 Conditions Precedent to Conveyance.

1.6.1 **Conditions.** HAP and Multnomah County are not obligated to Close the Conveyance unless the following conditions are satisfied to the reasonable satisfaction of the benefited Party. The Party benefited by a particular condition shall not unreasonably withhold, condition or delay acknowledgment that the condition has been satisfied.

(a) To the satisfaction of both Multnomah County and HAP, there shall be no litigation pending that prevents Multnomah County or HAP from performing their respective obligations under this Agreement.

(b) To HAP's reasonable satisfaction:

(i) Any required building permits shall have been issued by the City of Portland.

(ii) HAP shall have determined that Multnomah County has title to the Property subject only to the Final Permitted Exceptions.

(iii) HAP's lenders shall have agreed to the final form of the Deed and any documents necessary to close the private financing.

(iv) Escrow Agent shall have issued to HAP a binding commitment (a) to issue to HAP an Owner's Extended Title Insurance Policy covering the Property in an amount not less than the total cost of performing the Project in form and substance satisfactory to HAP, subject only to the Final Permitted Exceptions; and (b) to issue a Lender's

Extended Title Insurance Policy covering the fee interest in the Property in the amount of the loans to be provided to HAP in form and substance satisfactory to any lender identified by HAP.

(v) Multnomah County's representations and warranties stated in Section 1.7 herein are true and correct as of the Closing Date.

(vi) HAP and/or the Tax Credit Entity shall have obtained financing for the Project reasonably satisfactory to HAP, including (A) an equity contribution to the Tax Credit Entity from the Investor based on an allocation of federal low-income tax credits from the Oregon Housing and Community Services Department, (B) an equity contribution to the Tax Credit Entity from the Investor based on the Project's qualification for federal rehabilitation (*i.e.* historic) tax credits, (C) Housing Plus Funds from the Oregon Housing and Community Services Department, (D) money resulting from the transfer to investors of Business Energy Tax Credits provided by the Oregon Department of Energy for weatherization, (E) a Mental Health Housing Grant, (E) in tax increment financing from the Portland Development Commission, (F) a Green Communities Grant from the Green Communities Initiative, (G) a Weatherization Grant from the Multnomah County Department of Community and Family Services, and/or (H) HAP's available funds (whether in the form of a loan or capital contribution to the Tax Credit Entity) to finance Public Housing units at the Project.

(vii) Multnomah County shall not be in default under any material term or condition of this Agreement. As of Closing, if requested by HAP, Multnomah County shall represent to HAP that there are no material defaults by Multnomah County under this Agreement or events which with the passage of time would constitute a material default by Multnomah County under this Agreement.

(viii) HAP, or a third-party developer retained by HAP or the Tax Credit Entity, shall have secured all land use approvals for the Project required by the City of Portland and no appeal of any required approval or permit shall have been filed, and the time for any such appeal shall have expired. If an appeal has been filed, it shall have been finally resolved.

(ix) HAP shall have reviewed and approved the results of its due diligence investigation of Project feasibility including, without limitation, survey, title, geotechnical, environmental, land use, parking and financing.

(x) Multnomah County has made available to HAP a copy of all surveys, studies, reports and other documents or information in Multnomah County's possession or reasonably available to Multnomah County regarding the Property ("Seller's Documents") and shall, upon request by HAP, assist HAP with obtaining updates or reliance letters from the providers thereof, at HAP's expense.

(c) To Multnomah County's reasonable satisfaction:

(i) HAP shall have provided to Multnomah County a certified copy of the resolution adopted by its board of commissioners, authorizing execution of this Agreement and performance of the transactions contemplated hereby.

(ii) HAP shall not be in default under any material term or condition of this Agreement. As of Closing, HAP shall represent to Multnomah County that there are no material defaults by HAP under this Agreement or events which with the passage of time would constitute a material default by HAP under this Agreement.

(iii) HAP's representations and warranties stated in Section 1.8 herein are true and correct as of the Closing Date.

(iv) HAP shall have demonstrated financial feasibility for the Project by closing adequate financing to fund the Project or by providing to Multnomah County copies of binding commitment letters for financing from lenders, subject to standard conditions to closing, and consistent with the Project Budget.

(v) HAP shall have obtained the approvals and agreements described in clauses (i), (iii), (vi) and (viii) of Section 1.6.1(b).

(vi) The plans approved for the building permit describe facilities that are adequate to provide the Services described in Exhibit D, with the number and configuration of units described in Exhibit C.

1.6.2 Elections upon Non-Occurrence of Conditions. Except as provided below, if any condition in Section 1.6.1 is not fulfilled to the reasonable satisfaction of the benefited Party or Parties on the Closing Date, subject to any extension that may be granted pursuant to this Section 1.6, then such benefited Party may elect to:

(a) Terminate this Agreement by written notice to the other Party, which termination shall become effective sixty (60) days after the notice of termination is given ("Termination Date") unless, before the sixty (60) day period ends, the other Party fulfills such condition or conditions to the reasonable satisfaction of the benefited Party or Parties; or

(b) Waive in writing the benefit of that condition precedent to its obligation to perform under this Agreement, and proceed in accordance with the terms hereof; or

(c) Extend the Termination Date by which the other Party must satisfy the applicable condition, if the other Party can satisfy the condition and if the other Party agrees in writing to the extension.

1.6.3 Final Termination Date. If all of the conditions precedent under Section 1.6.1 have not been satisfied, waived or otherwise resolved pursuant to this Agreement by the date sixty (60) days after the Closing Date, then this Agreement shall automatically terminate 60 days after the Closing Date ("Final Termination Date") unless the Final Termination Date is extended by agreement of the Parties prior to Final Termination Date, or unless the failure of satisfaction of the conditions precedent is the result of Unavoidable Delay as defined in Section 7.8.1. The maximum extension of the Final Termination Date shall be 90 days from the Closing Date. If the Agreement is terminated for failure of satisfaction of any of the conditions precedent, and such failure is not the result of a breach of this Agreement by either Party, then the obligations of the Parties to each other under this Agreement shall terminate, with neither obligations nor remedies accruing to either Party.

1.7 **Multnomah County Representations and Warranties.** Multnomah County represents that, except as disclosed in Seller's Documents:

1.7.1 Except as has been disclosed to HAP in the Environmental Report and to Multnomah County's knowledge, there has been no generation, manufacture, refinement, transportation, treatment, storage, handling, disposal, transfer, Release or production of Hazardous Substances, or other dangerous or toxic substances or solid wastes on the Property, or underground storage tanks existing on the Property, except in compliance with Environmental Laws currently in effect, and Multnomah County has not received notice of the Release of any Hazardous Substances on the Property.

1.7.2 Multnomah County has full power and authority to enter into and perform this Agreement in accordance with its terms, and all requisite action has been taken by Multnomah County in connection with the execution of this Agreement and the transactions contemplated hereby.

1.7.3 Multnomah County is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended.

1.7.4 To Multnomah County's knowledge, there is no litigation, action, suit, or any condemnation, environmental, zoning, or other government proceeding pending or threatened, which may affect the Property, Multnomah County's ability to perform its obligations under this Agreement or HAP's ability to perform the Project except that HAP is advised that the City of Portland Fire Marshall has determined that additional fire safety improvements are required to be installed at the Property.

1.7.5 Except as provided herein or otherwise disclosed in writing, to Multnomah County's knowledge, Multnomah County has not received or given any notice stating that the Property is in violation of any applicable laws, rules, regulations, ordinances and other governmental requirements; provided, however that Multnomah County makes no representation as to the availability or suitability of utility connections to the Property. HAP acknowledges, in particular, that the electrical service to the building is not adequate for the Project.

1.7.6 No representation, warranty or statement of Multnomah County in this Agreement or any of the exhibits attached contains any untrue statement of a material fact or omits a material fact necessary to make the statements of facts contained herein not misleading.

1.7.7 To Multnomah County's knowledge, as of the date hereof, there are no defaults by Multnomah County under this Agreement or events that with the passage of time would constitute a default of Multnomah County under this Agreement.

1.7.8 The existing building(s) on the Property currently are, and have been since May 2007 vacant.

1.7.9 As used in this section, "**Multnomah County's knowledge**" shall mean the actual knowledge of the managerial and supervisory personnel of Multnomah County having direct responsibility for the supervision of the Property, without any duty of inquiry or investigation.

1.8 HAP Representations and Warranties. HAP represents that:

1.8.1 HAP has full power and authority to enter into and perform this Agreement in accordance with its terms, and HAP has taken all requisite action in connection with the execution of this Agreement and the transactions contemplated hereby.

1.8.2 No representation, warranty or statement of HAP in this Agreement or any of the exhibits attached contains any untrue statement of a material fact or omits a material fact necessary to make the statements of facts contained herein not misleading.

1.8.3 As of the date hereof there are no defaults by HAP under this Agreement or events that with the passage of time would constitute a default of HAP under this Agreement.

1.8.4 HAP enters into this Agreement without reliance upon any verbal representation of any kind by Multnomah County, its employees, agents or consultants regarding any aspect of the Property, the Project, its feasibility, financing or compliance with any governmental regulation.

2. PREPARATION OF THE PROPERTY

2.1 **Permits.** HAP, at its own cost, will design, perform, fund and obtain permits for the Project.

2.1 **Termination of Leases; Relocation of Tenants.** Multnomah County represents and warrants that there are no tenants of the Property and that all leases with respect to the Property (and any part thereof) have expired or have otherwise been terminated. Multnomah County agrees that it will not lease any portion of the Property to any tenant after the Effective Date.

2.2 **Utility Service.** Multnomah County makes no representation as to the availability or suitability of utility connections to the Property. HAP shall pay any and all costs of removal, installation, connection, or upgrade of new or existing utilities to serve the Project.

2.3 **Subsurface and Surface Conditions.** The Property shall be conveyed from Multnomah County to HAP in "as is" condition. Except as otherwise specifically provided in this Agreement, Multnomah County makes no warranties or representations as to the suitability of the soil conditions or any other conditions of the Property for any improvements to be performed by HAP, and, except for representations and warranties otherwise provided by Multnomah County in this Agreement, HAP warrants that it has not relied on any representations or warranties made by Multnomah County as to the environmental condition, the suitability of the soil conditions or any of the conditions of the Property for any improvements to be performed by HAP. Except for breach of any of Multnomah County's representations and warranties expressly set forth in this Agreement, HAP agrees that Multnomah County will not be liable for any loss, cost or damage that may be caused or incurred by HAP by reason of any such soil or physical conditions on the Property. Multnomah County shall allow HAP free access to Multnomah County's records with respect to such conditions.

2.4 **Plan Review and Approval.** HAP shall submit plans to Multnomah County for review and approval prior to the Closing Date. Multnomah County's approval shall be limited to a determination whether the plans describe facilities that are adequate to provide the Services described in Exhibit D, with the number and configuration of units described in Exhibit C.

3. COMPLETION OF PROJECT

3.1 **Project Financing.** HAP will be responsible for obtaining all financing and equity funds necessary to acquire the Property and complete the Project.

3.2 **Diligent Completion.** Subject to the terms and conditions of this Agreement, HAP covenants to diligently pursue and complete the Project within sixteen (16) months after the Closing Date, subject to Unavoidable Delays as provided in Section 7.8.1.

3.3 **Inspection and Property Access.** Multnomah County has, as of the date of this Agreement, provided HAP with a written permit of entry ("Permit of Entry") to allow HAP and HAP's employees, agents and consultants to enter upon the Property at all times to carry out the purposes of this Agreement. Such permit shall remain in effect until Closing.

3.4 **Use of the Property.** HAP covenants and agrees for itself, its successors, its assigns and every successor-in-interest to the Property or any part thereof, that upon completion of the Project, HAP or such successors and assignees will devote the Property (a) to use as Affordable Housing throughout the Extended Use Period and (b) to use as Permanent Supportive Housing for which Services consistent with the provisions of Exhibits C and D are provided for at least thirty (30) years after the Certificate of Initial Compliance is issued; provided, however, that HAP's covenant is subject to any reduction of funding by any governmental entity of any of the programs or sources described in Exhibit D and the other provisions of Section 7.8.1. This Section 3.4 shall run with the land and survive the issuance of any Certificate of Initial Compliance.

3.5 **Project Completion.** The project shall be deemed complete ("Project Completion") when the work described in the building permits issued by the City of Portland has been approved by City of Portland, as evidenced by the City's granting of one or more temporary certificates of occupancy for the Project.

3.6 **Staffing and Operation of Project.** HAP covenants and agrees that from and after the Effective Date, HAP's Executive Director will be the full-time representative with authority to act on behalf of HAP (or the Tax Credit Entity), or will notify Multnomah County in writing if another person has been given such authority. Until the Property is sold or leased to the Tax Credit Entity, HAP will own, operate and maintain the Project at its sole cost and expense.

3.7 **Certificate of Initial Compliance.**

3.7.1 **When HAP is Entitled to Certificate of Initial Compliance.** Upon HAP's request after Project Completion, Multnomah County will furnish HAP with a Certificate of Initial Compliance for the Project substantially in the form attached hereto as Exhibit E.

3.7.2 Meaning and Effect of the Certificate of Initial Compliance. The Certificate of Initial Compliance shall provide for termination of obligations under this Agreement and limitation of remedies of Multnomah County as expressly provided for therein.

3.7.3 Form of Certificate of Initial Compliance; Procedure Where Multnomah County Refuses to Issue. A Certificate of Initial Compliance shall be in the form attached as Exhibit E. If Multnomah County refuses or fails to provide a Certificate of Initial Compliance in accordance with this section, then Multnomah County, within fifteen (15) days after HAP provides a written request together with reasonably satisfactory proof of Project Completion, shall provide HAP with a written statement indicating in detail in what respects HAP has failed to provide such proof of Project Completion and what measures or acts HAP must take or perform to obtain such Certificate of Initial Compliance. Multnomah County's failure to furnish HAP with such detailed written statement within such fifteen (15) day period shall be deemed Multnomah County's approval of HAP's request for the Certificate of Initial Compliance.

4. ENVIRONMENTAL MATTERS

4.1 Indemnification. HAP shall be responsible for compliance with all Environmental Laws with respect to its business and the operation of the Project from and after the Closing Date, except for matters caused in whole or in part by the act or failure to act of Multnomah County, its employees, agents, contractors, or invitees.

4.1.1 Except for matters caused in whole or in part by the act or failure to act of Multnomah County, its employees, agents, contractors, or invitees, or the falsity of any representation or warranty of Multnomah County set forth in this Agreement, HAP, subject to the conditions and limitations of Article XI, Section 10 of the Oregon Constitution and the monetary limits of the Oregon Tort Claims Act, ORS 30.260 through 30.300, shall defend, indemnify and hold harmless Multnomah County, its successors and assigns, against any and all damages, claims, losses, liabilities and expenses, including, without limitation, reasonable legal, accounting, consulting, engineering and other expenses which may be imposed on or incurred by Multnomah County, its successors or assigns, or asserted against Multnomah County, its successors or assigns, by any other party or parties, including, without limitation, a governmental entity, arising out of or in connection with any violation of Environmental Laws by HAP after the Closing.

4.1.2 Except for matters caused in whole or in part by the act or failure to act of HAP, its employees, agents, contractors, or invitees, Multnomah County, subject to the conditions and limitations of Article XI, Section 10 of the Oregon Constitution and the monetary limits of the Oregon Tort Claims Act, ORS 30.260 through 30.300, shall defend, indemnify and hold harmless HAP, its successors and assigns, against any and all damages, claims, losses, liabilities and expenses, including, without limitation, reasonable legal, accounting, consulting, engineering and other expenses which may be imposed on or incurred by HAP, its successors or assigns, or asserted against HAP, its successors or assigns, by any other party or parties, including, without limitation, a governmental entity, arising out of or in connection with any violation of Environmental Laws by Multnomah County before the Closing.

The indemnities set forth in this Section 4.1 shall survive the termination of this Agreement and the issuance of any Certificate of Initial Compliance.

4.2 **Contribution.** The foregoing indemnity does not limit any rights of contribution that the Parties may have against others under applicable law or agreement. The indemnity is intended only as an allocation of responsibility between the Parties to this Agreement.

5. ASSIGNMENT PROVISIONS

5.1 **Transfers before Certificate Issuance.** Because it is a governmental entity, Multnomah County is uniquely benefited by the Project. HAP is uniquely qualified to perform the Project. Except as provided in Section 5.2, HAP shall not, prior to the issuance of the Certificate of Initial Compliance, partially or wholly dispose of or agree to dispose of HAP's interest in this Agreement without the prior written approval of Multnomah County.

5.1.1 Multnomah County may require as conditions to such approval that:

- (a) The transfer is not in violation of other provisions of this Agreement; and
- (b) Any proposed transferee shall have qualifications and financial responsibility acceptable to Multnomah County in its sole discretion; and
- (c) The transfer will not cause a material delay in the completion of the Project.

5.1.2 This prohibition will not apply to (a) any sale of the Property at foreclosure (or a conveyance of the Property in lieu of foreclosure) pursuant to foreclosure thereof by a lender.

5.1.3 The provisions of this Agreement (including, without limitation, this Section) will not prevent, prior to the issuance of the Certificate of Initial Compliance, the granting of easements, licenses or permits to facilitate the Project provided that all such easements, licenses or permits shall be subject to the prior approval of Multnomah County, which approval shall not be unreasonably delayed or withheld.

5.2 **Approved Transfers before Certificate Issuance.** Notwithstanding Section 5.1 above, and provided that HAP provides Multnomah County with copies of all agreements (or drafts thereof) related to the transfer at least fifteen (15) days prior to the effective date of the proposed transfer, and any other information reasonably necessary for Multnomah County to determine whether such transfer complies with the requirements of this Agreement, Multnomah County hereby consents to:

5.2.1 Any Mortgage(s) which HAP may cause to attach to the Property prior to Multnomah County's issuance of the final Certificate of Initial Compliance, provided that Multnomah County has approved the terms of the Mortgage, which approval shall not be unreasonably withheld;

5.2.2 Any transfer of all or a part of the Project or other rights in the Project to any Affiliate of HAP, provided that no provisions of the transfer are in violation of the terms of this Agreement; and

5.2.3 Transfer to the Tax Credit Entity. In the event of such transfer, HAP shall remain fully responsible to Multnomah County for the performance of this Agreement through Multnomah County's issuance of the final Certificate of Initial Compliance for the Project.

5.3 **Transfers after Certificate Issuance.** After Multnomah County's issuance of a Certificate of Initial Compliance for the Project, HAP may transfer its interest, or portions of its interest in the Project or this Agreement, without restriction, consent or approval by Multnomah County, provided such transfer is subject to the requirements of Section 3.4.

6. PERMITTED MORTGAGES

6.1. **Effect of Post-Conveyance Rights on Mortgages.** Any and all other post-conveyance rights and remedies of Multnomah County pursuant to this Agreement shall always be subordinate and subject to and limited by, and shall not defeat, render invalid, or limit in any way any lien, Mortgage, or security interest approved by Multnomah County and authorized by this Agreement.

6.2. **Mortgagee Not Obligated To Complete.** Notwithstanding any of the provisions of the Agreement, the Mortgagee or its designee, nor the Investor, for purposes of acquiring title at foreclosure shall in no way be obligated by the provisions of this Agreement to complete the Project or to guarantee such completion.

6.3. **Copy of Notice of Default to Mortgagee and Investor.** If Multnomah County delivers any notice or demand to HAP with respect to any breach of or default by HAP in its obligations or covenants under this Agreement, Multnomah County shall at the same time send a copy of such notice or demand to Investor at the last address provided in writing by Investor to Multnomah County, and to each Mortgagee approved by Multnomah County at the last address of such Mortgagee shown in the records of Multnomah County.

6.4. **Mortgagee's and Investor's Options to Cure Defaults.** After any default in or breach of this Agreement by HAP where HAP fails to cure or remedy said default or breach, each Mortgagee and Investor may, at its option, cure or remedy such breach or default within thirty (30) days after passage of the latest date for HAP's cure of the default, or such longer period as may be required to cure the default with diligence, and if permitted by the Mortgagee's loan documents, a Mortgagee may add the cost thereof to the Mortgage debt and the lien of its Mortgage. If the breach or default is with respect to completion of the Project, nothing contained in this Agreement shall be deemed to prohibit the Investor or a Mortgagee, either before or after foreclosure or action in lieu thereof, from completing the Project, provided that the Investor or Mortgagee notifies Multnomah County in writing of its intention to complete the Project in accordance with this Agreement. Any Investor or Mortgagee who properly completes the Project and is substantially providing the Services shall be entitled to issuance of a Certificate of Initial Compliance, upon written request made to Multnomah County following the procedures set forth in Section 3.7 above.

6.5. **Amendments or Subordination Agreements Requested by Mortgagee or Investor.** Multnomah County shall execute amendments to this Agreement or separate agreements to the extent reasonably requested by the Investor, or Mortgagee proposing to make a loan to HAP (or the Tax Credit Entity) secured by a security interest in all or any part of the Property and/or the Project, provided that such proposed amendments or other agreements do not materially and adversely affect the rights of Multnomah County with respect to the Property. Multnomah County agrees to execute a standard form of mortgage subordination relating to the Property presented by any proposed Mortgagee with respect to a Mortgage. Multnomah County may require that Multnomah County be made an additional beneficiary of any restrictive use or other covenants required by a proposed Mortgagee as a condition of Multnomah County's subordination.

7. DEFAULT; REMEDIES

7.1. Default and Cure.

7.1.1. **Default by HAP.** A default shall occur if HAP breaches any material provision of this Agreement, whether by action or inaction, and such breach continues and is not remedied within thirty (30) days after HAP receives written notice from Multnomah County specifying the breach. In the case of a breach which cannot with due diligence be cured within a period of thirty (30) days, a default shall occur if HAP does not commence the cure of the breach within thirty (30) days after HAP receives written notice from Multnomah County and thereafter diligently prosecute to completion such cure within one hundred twenty (120) days after the written notice from Multnomah County. A default also shall occur if HAP makes any assignment for the benefit of creditors, or is adjudicated a bankrupt, or has a receiver, trustee or creditor's committee appointed over it that is not removed within sixty (60) days after appointment. Default shall occur, and Multnomah County shall be irreparably harmed by such default, if HAP or its assignee does not substantially provide the Services; provided, however, no such default shall be deemed to have occurred if the Services are reduced, or can no longer be provided, due to a reduction of funding by any governmental entity of any of the programs or sources described in Exhibit D and the other provisions of Section 7.8.1. HAP shall not be in default hereunder for failure to pay any tax, assessment, lien or other charge if HAP in good faith is contesting the same and has furnished an appropriate bond or other undertaking to assure payment in the event HAP's contest is unsuccessful.

7.1.2. **Default by Multnomah County.** A default shall occur if Multnomah County breaches any material provision of this Agreement including, without limitation, Multnomah County's failure to perform any obligation which is the responsibility of Multnomah County when such performance is due, whether by action or inaction, and such breach continues and is not remedied within thirty (30) days after Multnomah County receives written notice from HAP specifying the breach or, in the case of a breach which cannot with due diligence be cured within a period of thirty (30) days, if Multnomah County shall not within such thirty (30) day period commence the cure of the breach and thereafter diligently prosecute to completion such cure within one hundred twenty (120) days after written notice from HAP.

7.2. **Multnomah County's Pre-Conveyance Remedies.** If HAP defaults in any material term of this Agreement before the Property is conveyed to HAP, Multnomah County

may, at its option: (i) terminate this Agreement by written notice to HAP, without waiving any cause of action Multnomah County may have against HAP; or (ii) seek monetary damages against HAP. If Multnomah County terminates this Agreement as provided in this Section 7.2 then HAP shall deliver to Multnomah County within thirty (30) days after such termination, copies of all environmental and engineering documents related to the Project prepared by HAP or prepared for HAP by unrelated third parties. HAP shall further execute such documents as may be necessary to assign HAP's rights in and to any permits relating to the Project which Multnomah County requests be assigned. Project permits may be used by Multnomah County in any manner that Multnomah County deems appropriate with the consent of any party (other than HAP) having approval rights thereunder.

7.3. Restoration. If, prior to Project Commencement (including the period prior to Closing), HAP modifies the Property and HAP fails to acquire the Property, HAP shall be obligated to restore the Property to the extent, and in the manner, required by the Permit of Entry. Multnomah County shall not be obligated to reimburse HAP for any costs incurred to so modify the Property.

7.4. Multnomah County's Post-Conveyance Remedies. If HAP fails to use the Property as required under Section 3.4 hereof at any time after the completion date in Section 3.2, then Multnomah County may demand in writing that HAP cure such default within sixty (60) days. If HAP does not cure the default within the sixty (60) day period (or in the case that such default is not curable within said sixty (60) day period, if HAP shall have not commenced and be diligently pursuing such cure to completion), then such action or inaction shall create in Multnomah County the following remedies:

7.4.1. Right to Cure. Prior to Multnomah County's issuance of the Certificate of Initial Compliance, Multnomah County has the right to cure HAP's default under this Agreement so long as default is not related to HAP's failure to commence preparations for the Project. In the event Multnomah County cures such default, Multnomah County may make demand upon HAP for reimbursement of all reasonable costs associated with such cure within thirty (30) days of demand. Interest on any such costs shall run at the legal rate in Oregon from the date or dates such costs were incurred.

7.4.2. Right of Legal Action. Multnomah County may, by mandamus or other suit, action or proceeding at law or in equity, require HAP to perform its obligations and covenants under this Agreement or enjoin any acts or things that may be unlawful or in violation of the rights of Multnomah County under this Agreement.

7.4.3. Right of Inspection. Prior to Multnomah County's issuance of the Certificate of Initial Compliance, Multnomah County shall have access to, and may inspect, examine and make copies of, all of the books and records of HAP pertaining to the Project.

7.4.4. Non-Waiver. Any delay by Multnomah County in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights under this Section 7.4 shall not operate as a waiver of such rights or to deprive it of or limit such rights in any way. (it being the intent of this provision that Multnomah County should not be constrained because of concepts of waiver, laches or estoppel so as to avoid the risk of being deprived of or limited in

the exercise of the remedy provided in this section or otherwise to exercise such remedy at a time when it may still hope otherwise to resolve the problems created by the default involved); nor shall any waiver in fact made by Multnomah County with respect to any specific default by HAP be considered or treated as a waiver of the rights of Multnomah County with respect to any other defaults by HAP or with respect to any particular default except to the extent specifically waived.

7.4.5. Mortgagee's Rights. Multnomah County's remedies under this Section 7.4 are subject to the rights of a Mortgagee or Investor to cure a default and to the other Mortgagee protections specified in Section 6.

7.5. HAP's Pre-Conveyance Remedies. If Multnomah County fails to perform any obligation under this Agreement, HAP may, at its option: (i) terminate this Agreement by written notice to Multnomah County without waiving any cause of action HAP may have against Multnomah County; (ii) specifically enforce the obligations of Multnomah County under this Agreement; and (iii) seek monetary damages against Multnomah County.

7.6. HAP's Post-Conveyance Remedies. In the event of Multnomah County's material default after Multnomah County conveys the Property to HAP, HAP may specifically enforce the obligations of Multnomah County under this Agreement, and seek monetary damages against Multnomah County.

7.7. Nonexclusive Remedies. The rights and remedies provided by this Agreement shall not be deemed exclusive, except where otherwise indicated, and shall be in addition to any and all rights otherwise available at law or in equity. The exercise by either Party of one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies for the same default or of any of its remedies for any other default by the other Party, including, without limitation, the right to compel specific performance. Any limitation of remedies set forth herein should not limit or affect the obligations of a Party under any contractual indemnities set forth herein.

7.8. Force Majeure.

7.8.1. Neither a Party nor a Party's successor in interest shall be considered in breach of or in default with respect to any obligation created hereunder or progress in respect thereto if the delay in performance of such obligations (the "Unavoidable Delay") is due to causes that are beyond its control, and without its fault or negligence, including but not limited to (a) acts of God, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquake, explosion, mob violence, and riot, (b) inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, (c) litigation or arbitration relating to zoning or governmental action or inaction pertaining to the Project, delay in the issuance of necessary permits for the Project not caused by the fault of HAP, (d) any reduction of funding by any governmental entity of any of the programs or sources described in Exhibit D, (e) any sustained vacancy attributable to the Permanent Supportive Housing units that cannot be mitigated with PSA Risk Mitigation Pool funds available to HAP and which threatens the Property's financial stability, or (f) malicious mischief, unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar events and/or occurrences beyond the control of such Party; provided, however, that

Multnomah County may not rely on the references herein to acts of the government or governmental action or inaction to excuse its own delays.

7.8.2. It is the purpose and intent of this provision that, in the event of the occurrence of any such Unavoidable Delay, the time or times for performance of the obligations of Multnomah County or HAP, as the case may be, shall be extended for the period of the Unavoidable Delay; provided, however, that the Party seeking the benefit of this Section shall, within five (5) after the Party becomes aware of the causes of any such Unavoidable Delay, notify the other Party in writing of the cause or causes of the delay and the estimated time of correction. The period(s) of Unavoidable Delay for matters listed Section 7.8.1 shall not exceed 180 days in the aggregate during any one-year period.

8. MISCELLANEOUS PROVISIONS

8.1. **Discrimination.** HAP, for itself and its successor and assigns, agrees that during the preparations for the Project, HAP will not discriminate against any employee or applicant for employment because of race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, gender identity or source of income.

8.2. **Notice.** Any notice or communication under this Agreement by either Party to the other shall be deemed given and delivered (a) forty-eight (48) hours after being dispatched by registered or certified U.S. mail, postage prepaid, return receipt requested, or (b) when received if personally delivered, and:

In the case of a notice to HAP, addressed as follows:

Housing Authority of Portland
135 SW Ash Street
Portland, OR 97204
Attn. Executive Director

with a copy to:

Jeff Nave
Foster Pepper PLLC
422 W. Riverside Ave., Suite 1310
Spokane, WA 99201-0302

In the case of a notice to Investor, addressed as follows:

Enterprise Community Investment, Inc.
10227 Wincopin Circle
Columbia, MD 21044
Attn: General Counsel

with a copy to:

Craig Emden
Bocarsly, Emden, Cowan, Esmail & Arndt LLP
7200 Wisconsin Avenue, Suite 900
Bethesda, MD 20814

In the case of a notice or communication to Multnomah County, addressed as follows:

Director, Department of County Human Services
421 SW Oak
Portland, OR 97204

and

Director, Multnomah County Facilities and Property Management
401 North Dixon
Portland, Oregon 97227

with a copy to:

Multnomah County Attorney
501 SE Hawthorne Blvd., Suite 500
Portland, OR 97214

or addressed in such other way in respect to either Party as that Party may, from time to time, designate in writing dispatched as provided in this Section. Notice given in any other manner shall be effective upon receipt by the Party for whom the same is intended.

8.3. Merger. None of the provisions of this Agreement are intended to or shall be merged by reason of any Deed transferring title to the Property from Multnomah County to HAP or any successor in interest, and any such Deed shall not be deemed to affect or impair the provisions and covenants of this Agreement, but shall be deemed made pursuant to this Agreement.

8.4. Headings. Titles of the sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

8.5. Waivers. No waiver made by either Party with respect to the performance, or manner or time thereof, of any obligation of the other Party or any condition inuring to its benefit under this Agreement shall be considered a waiver of any other rights of the Party making the waiver. No waiver by Multnomah County or HAP of any provision of this Agreement or any breach thereof shall be of any force or effect unless in writing; and no such waiver shall be construed to be a continuing waiver.

8.6. Attorneys' Fees. If a suit, action, arbitration, or other proceeding of any nature whatsoever, including, without limitation, any proceeding under the U.S. Bankruptcy Code, is

instituted to interpret or enforce any provision of this Agreement, or with respect to any dispute relating to this Agreement, including, without limitation, any action in which a declaration of rights is sought or an action for rescission, the prevailing party shall be entitled to recover from the losing party its reasonable attorneys', paralegals', accountants', and other experts' fees and all other fees, costs and expenses actually incurred and reasonably necessary in connection therewith, as determined by the judge or arbitrator at trial or arbitration, as the case may be, or on any appeal or review, in addition to all other amounts provided by law. This provision shall cover costs and attorney fees related to or with respect to proceedings in Federal Bankruptcy Courts, including those related to issues unique to bankruptcy law.

8.7. **Choice of Law.** Oregon law shall govern this Agreement.

8.8. **Construction.** In construing this Agreement, singular pronouns shall be taken to mean and include the plural and the masculine pronoun shall be taken to mean and include the feminine and the neuter, as the context may require.

8.9. **Legal Purpose.** HAP agrees that it shall use the Property solely for lawful purposes.

8.10. **Severability.** If any clause, sentence or any other portion of the terms and conditions of this Agreement becomes illegal, null or void for any reason, the remaining portions will remain in full force and effect to the fullest extent permitted by law,

8.11. **Entire Agreement.** This Agreement and the attachments hereto are the entire agreement between the Parties. There is no other oral or written agreement between the Parties with regard to this subject matter. There are no oral or written representations made by either Party, implied or express, other than those contained in this Agreement.

8.12. **Amendments and Modifications.** Any modifications to this Agreement shall be made in writing and executed by both Parties, and approved by Multnomah County. The Parties recognize that circumstances may change and that it may be in the interest of both Parties that this Agreement be amended from time to time. For this reason, each Party will consider changes that may be proposed by the other during the term of this Agreement. The Chair, Multnomah County Board of County Commissioners shall have the authority to approve modifications to this Agreement on behalf of Multnomah County.

8.13. **Successors and Assigns.** Subject to the provisions of Section 5, the benefits conferred by this Agreement, and the obligations assumed hereunder, shall inure to the benefit of and bind the successors and assigns of the Parties.

8.14. **Place of Enforcement.** Any action or suit to enforce or construe any provision of this Agreement by any Party shall be brought in the Circuit Court of the State of Oregon for Multnomah County, or the United States District Court for the District of Oregon in Portland, Oregon.

8.15. **No Partnership.** Nothing contained in this Agreement or any acts of the Parties hereby shall be deemed or construed by the Parties, or by any third person, to create the

relationship of principal and agent, or of partnership, or of joint venture, or any association between any of the Parties.

8.16. Non-waiver of Government Rights. Subject to the terms and conditions of this Agreement, by making this Agreement and delivery of the Deed, Multnomah County is specifically not obligating itself or any other agency with respect to any discretionary action relating to preparations for or operation of the Project, including, but not limited to funding of Services, or rezoning, variances, environmental clearances or any other governmental approvals which are or may be required, except as expressly set forth herein.

8.17. Approvals. Where approvals of Multnomah County are required, Multnomah County will approve or disapprove within fifteen (15) business days after receipt of the material to be approved, except where a longer or shorter time period is specifically provided to the contrary. If Multnomah County fails to approve or disapprove within the second 15-day period, such Multnomah County failure shall be deemed an approval. Any disapproval shall state in writing the reasons for such disapproval. Approvals will not be unreasonably withheld, except where rights of approval are expressly reserved to Multnomah County's sole discretion in this Agreement. HAP, upon receipt of such disapproval, shall revise such disapproved portions in a manner responsive to the stated reasons for disapproval and resubmit the same to Multnomah County within forty-five (45) days after receipt of the notice of disapproval.

8.18. Approval by Multnomah County. Unless specified to the contrary elsewhere in this Agreement as to a particular consent or approval, whenever consent or approval by Multnomah County is required under the terms of this Agreement, all such consents or approvals shall be given in writing from the Chair, Board of County Commissioners or from such other Multnomah County staff as the Chair has designated to give approvals.

8.19. Recording of Memorandum of Agreement. So long as HAP is not in default herein HAP may at any time record a Memorandum of this Agreement. The form of the Memorandum of Agreement is attached as Exhibit F to this Agreement. When Multnomah County issues to HAP a Certificate of Initial Compliance or if the Agreement is terminated, the Parties shall cooperate to promptly execute and record an appropriate amendment to this Agreement or termination of Agreement to reflect the issuance of the Certificate of Initial Compliance or the termination of this Agreement as the case may be.

8.20. Calculation of Time. All periods of time referred to herein shall include Saturdays, Sundays, and legal holidays in the State of Oregon, except that if the last day of any period falls on any Saturday, Sunday or legal holiday, the period shall be extended to include the next day which is not a Saturday, Sunday or legal holiday. All periods of time shall be deemed calendar days unless specifically designated as Business Days. Business Days shall mean Monday through Friday excluding state or federal legal holidays.

8.21. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

8.22. **Good Faith and Reasonableness.** The Parties intend that the obligations of good faith and fair dealing apply to this Agreement generally and that no negative inferences be drawn by the absence of an explicit obligation to be reasonable in any portion of this Agreement. The obligation to be reasonable shall only be negated if arbitrariness is clearly and explicitly permitted as to the specific item in question, such as in the case of a Party being given "sole discretion" or "sole judgment."

8.23. **Dispute Resolution.** Except as provided below, all disputes arising out of or related to this Agreement shall be subject to mediation as a condition precedent to the institution of legal proceedings. The Parties shall endeavor to resolve any disputes initially by mediation. The mediator shall be an individual mutually acceptable to the Parties. A request for mediation shall be filed in writing with the other Party. The Parties shall share the mediator's fee and any filing fees, equally. The mediation shall be held in Portland, Oregon at a location mutually acceptable to the Parties. The mediation hearing shall occur within thirty (30) days of the request for mediation. Notwithstanding the foregoing, the Parties shall not be required to submit to mediation any claims in equity, such as claims for injunctive relief.

8.24. **Time is of the Essence of this Agreement.**

8.25. **STATUTORY WARNING.** THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR ORS 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 and 195.305 to 195.336 and SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007.

Executed in multiple counterparts as of the day and year first above written.

[signature pages follow]

Multnomah County:

MULTNOMAH COUNTY, a political subdivision
of the State of Oregon

By: _____
_____, Chair of the Board of County
Commissioners

STATE OF OREGON)
) ss.
COUNTY OF MULTNOMAH)

The foregoing instrument was personally acknowledged before me this ____ day of _____, 2009, by _____, who being duly sworn, did say that he or she is the Chair of the Board of County Commissioners of Multnomah County, a political subdivision of the State of Oregon, and that the foregoing instrument was signed on behalf of said political subdivision, and acknowledged said instrument to be its voluntary act and deed.

Notary Public for Oregon
My Commission expires: _____

Reviewed:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY

John S. Thomas
Deputy County Attorney

HAP:

HOUSING AUTHORITY OF PORTLAND, a
public body corporate and politic of the State of
Oregon

By: _____
Steven D. Rudman, Executive Director

STATE OF OREGON)
) ss.
COUNTY OF MULTNOMAH)

The foregoing instrument was personally acknowledged before me this ____ day of _____, 2009, by Steven D. Rudman, who being duly sworn, did say that he is the Executive Director of the Housing Authority of Portland, a public body corporate and politic of the State of Oregon, and that the foregoing instrument was signed on behalf of said housing authority, and acknowledged said instrument to be its voluntary act and deed.

Notary Public for Oregon
My Commission expires: _____

EXHIBIT A

LEGAL DESCRIPTION

Lots 1, 2, 3 and the North 10 feet of Lot 4, Block 262, CITY OF PORTLAND, in the City of Portland, County of Multnomah and State of Oregon.

**EXHIBIT B
DEED FORM**

After recording return to, and until a change is requested, all tax statements shall be sent to the following address:

Housing Authority of Portland
Attn. Development and Community Revitalization
135 S.W. Ash Street
Portland, OR 97204

**BARGAIN AND SALE DEED
(Statutory Form)**

Multnomah County, a political subdivision of the state of Oregon, Grantor, conveys to the Housing Authority of Portland, a public body corporate and politic of the State of Oregon, Grantee, the following described real property:

See Attached Exhibit 1

The true consideration for this conveyance is \$ 0. However, the actual consideration consists of or includes other property or value given or promised which is the whole consideration.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 and 195.305 to 195.336 and SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR ORS 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 and 195.305 to 195.336 and SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007.

Dated this ____ day of _____, 2009.

MULTNOMAH COUNTY, a political subdivision
of the State of Oregon

By: _____
_____, Chair of the Board of County
Commissioners

STATE OF OREGON)
) ss.
COUNTY OF MULTNOMAH)

The foregoing instrument was personally acknowledged before me this ____ day of _____, 2009, by _____, who being duly sworn, did say that he or she is the Chair of the Board of County Commissioners of Multnomah County, a political subdivision of the State of Oregon, and that the foregoing instrument was signed on behalf of said political subdivision, and acknowledged said instrument to be its voluntary act and deed.

Notary Public for Oregon
My Commission expires: _____

Exhibit 1

Legal Description

Lots 1, 2, 3 and the North 10 feet of Lot 4, Block 262, CITY OF PORTLAND, in the City of Portland, County of Multnomah and State of Oregon.

EXHIBIT C
PREPARATION OF THE PROPERTY

The Project consists of preparation of the Property as follows:

1. The Project facility shall consist of an 108-unit housing complex consisting of 90 studio and 18 one-bedroom apartments designated as follows:
 - 57 Affordable Housing units
 - 25 Permanent Supportive Housing units for individuals with mental health and/or addiction issues,
 - 25 Permanent Supportive Housing units for chronically homeless individuals, and
 - 1 unit (one-bedroom apartments) for a live-in apartment manager.
2. The Project includes all of the planning, design, engineering, financing and construction activities necessary to complete the Project.
3. The Project includes all of the preparation of the Property as required by governmental authorities with jurisdiction over the Property in order to provide the Services from the Property.

Upon completion of the Project, HAP shall offer the Services described in Exhibit D to the eligible populations described therein.

EXHIBIT D SERVICES

- 1 The following services shall be provided to serve all individuals occupying units at the Property:
 - 1.1 Establish a pro-social, creative community to promote a safe and healthy environment at the Property, and actively promote a positive peer culture throughout the Property.
 - 1.2 Focus on linkages and referrals to community resources, link tenants to services, lead education and recovery groups, and work with property management to promote lease compliance.
 - 1.3 Supervise program staff and coordinate services at the Property.
- 2 The following additional services shall be provided to chronically homeless individuals occupying Permanent Supportive Housing units:
 - 2.1 These services will be arranged by HAP through CCC and/or other sponsor organizations with qualifications similar to those of CCC on the date hereof.
 - 2.2 Appropriate level of case management and housing retention services.
 - 2.3 Services will be individualized by resident and will consist of individual and group work in addition to consultation and coordination with other on-site program staff.
 - 2.4 The services focus will be on recovery-oriented services, assistance in obtaining and/or maintaining available benefits, support with developing or retaining familial ties, and supportive counseling.
 - 2.5 A major focus of case management will be to support tenants in obtaining and utilizing the skills needed to live independently.
- 3 The following additional services shall be provided to individuals with mental health and addictions issues who are occupying Permanent Supportive Housing units:
 - 3.1 These services will be arranged by HAP through sponsor organizations with qualifications similar to those of CCC on the date hereof.
 - 3.2 Appropriate level of case management and housing retention services.
 - 3.3 Services will be individualized by resident and will consist of individual and group work in addition to consultation and coordination with other on-site program staff.

- 4 HAP will attempt to use, to the extent practicable, the following rent subsidies to provide housing for as many PSH tenants as possible who are unable to pay rent from other income:
 - 4.1 Project-based Section 8.
 - 4.2 Shelter+Care vouchers through CCC's Community Engagement Program, if and as they become available.
 - 4.3 Shelter+Care vouchers through other providers in the community serving a population appropriate from residency in the building, if and as they become available.
 - 4.4 Public Housing Operating Subsidy.
 - 4.5 Other sources, if and as they become available.
- 5 HAP will make reasonable efforts to pursue other resources that can further enhance services at the Property.

EXHIBIT E
CERTIFICATE OF INITIAL COMPLIANCE

MULTNOMAH COUNTY (the "County"), a political subdivision of the State of Oregon, hereby certifies that the HOUSING AUTHORITY OF PORTLAND ("HAP"), a public body corporate and politic of the State of Oregon, has satisfactorily completed the Project and commenced providing the Services, as such Project and Services are described in the Agreement for Disposition of Property for the Martha Washington Apartments, dated _____, 2009 (herein called the "ADP"), a memorandum of which was recorded in the Records of Multnomah County, Oregon as Document No. _____, on _____, 2009. Capitalized terms used herein without definition shall have the meaning ascribed to them in the ADP.

The County hereby certifies that as of the date of this Certificate, the Services are being performed to the County's satisfaction, except for any insubstantial items which are being addressed by HAP.

This Certificate of Initial Compliance is and shall be a conclusive determination of the satisfaction of all of the agreements, covenants, and conditions contained in the ADP with respect to the obligations of HAP, its successors and assigns, as to the completion of the Project.

Further, any party acquiring, leasing or taking a mortgage, security interest or other interest in the Project or any portion of the Project shall not (because of such purchase or lease) have any obligation under the ADP with respect to the completion of the Project, and

The County shall hereafter not have, nor be entitled to exercise, any rights or remedies or controls that it may otherwise have been entitled to exercise under the ADP with respect to the completion of the Project, or as a result of a default in or breach of any provisions of the ADP relating to completion of the Project by HAP, or by any successors in interest or assigns of HAP. The County specifically reserves the County's right to enforce HAP's obligations under the ADP to provide the Services during the 30-year period described in Section 3.4 of the ADP and to provide Affordable Housing during the Extended Use Period by injunction, order for specific performance, claim for damages, or any other remedy that may be available at law or in equity.

IN WITNESS WHEREOF, the County has caused this instrument to be executed this _____ day of _____, 2009.

MULTNOMAH COUNTY, a political subdivision
of the State of Oregon

By: _____
Name:
Title:

STATE OF OREGON)
) ss.
COUNTY OF MULTNOMAH)

The foregoing instrument was personally acknowledged before me this ____ day of _____, 2009, by _____, who being duly sworn, did say that he or she is the _____ of Multnomah County, a political subdivision of the State of Oregon, and that the foregoing instrument was signed on behalf of said political subdivision, and acknowledged said instrument to be its voluntary act and deed.

Notary Public for Oregon
My Commission expires: _____

EXHIBIT F

Recording requested by
and when recorded return to:

Multnomah County Attorney
501 SE Hawthorne, Suite 500
Portland, OR 97214

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement ("Memorandum") is made as of this ____ day of _____, 2009, by and between MULTNOMAH COUNTY, a political subdivision of the State of Oregon ("County"), and the HOUSING AUTHORITY OF PORTLAND, a public body corporate and politic of the State of Oregon ("HAP").

RECITALS

- A. County is the owner of that certain real property located in the County of Multnomah, State of Oregon, more particularly described on Exhibit 1 (the "Property").
- B. County and HAP entered into an Agreement for Disposition of Property, dated _____, 2009 (the "Agreement"), whereby County agreed to sell, and HAP agreed to purchase, the Property.
- C. The Agreement imposes certain obligations on HAP with respect to preparations for and provision of certain services at the Property (the "Services").
- D. County and HAP now desire to provide constructive notice of the Agreement.

AGREEMENT

- 1. County has agreed to sell, and HAP has agreed to purchase, the Property in accordance with the terms and conditions set forth in the Agreement.
- 2. After conveyance of the Property by County to HAP, the parties have continuing obligations to each other with respect to the provisions of Affordable Housing and the Services, as described in the Agreement.
- 3. This Memorandum may be modified or terminated only as provided in the Agreement.
- 4. This Memorandum has been executed, acknowledged, and recorded solely for the purpose of providing constructive notice of the Agreement. If any inconsistency or conflict arises between the provisions of the Memorandum and the Agreement itself, the terms, conditions, and covenants of the Agreement are to control. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Agreement. This Memorandum may

be executed in one or more counterparts, which when taken together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have executed this Memorandum on the day and year first above written.

"COUNTY"

MULTNOMAH COUNTY, a political
subdivision of the State of Oregon

By: _____
Name: _____
Title: _____

STATE OF OREGON)
) ss.
COUNTY OF MULTNOMAH)

"HAP"

HOUSING AUTHORITY OF PORTLAND, a
public body corporate and politic of the State
of Oregon

By: _____
Steven D. Rudman, Executive Director

The foregoing instrument was personally acknowledged before me this ____ day of _____, 2009, by _____, who being duly sworn, did say that he or she is the _____ of Multnomah County, a political subdivision of the State of Oregon, and that the foregoing instrument was signed on behalf of said political subdivision, and acknowledged said instrument to be its voluntary act and deed.

Notary Public for Oregon
My Commission expires: _____

STATE OF OREGON)
) ss.
COUNTY OF MULTNOMAH)

The foregoing instrument was personally acknowledged before me this ____ day of _____, 2009, by Steven D. Rudman, who being duly sworn, did say that he is the Executive Director of the Housing Authority of Portland, a public body corporate and politic of the State of Oregon, and that the foregoing instrument was signed on behalf of said housing authority, and acknowledged said instrument to be its voluntary act and deed.

Notary Public for Oregon
My Commission expires: _____

Exhibit 1

Lots 1, 2, 3 and the North 10 feet of Lot 4, Block 262, CITY OF PORTLAND, in the City of Portland, County of Multnomah and State of Oregon.



MULTNOMAH COUNTY

AGENDA PLACEMENT REQUEST (long form)

APPROVED: MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-12 DATE 05/07/09
DEBORAH L. BOGSTAD, BOARD CLERK

Board Clerk Use Only

Meeting Date: 05/07/09
Agenda Item #: R-12
Est. Start Time: 10:50 AM
Date Submitted: 04/29/09

Agenda Title: **NOTICE OF INTENT to Apply for Federal American Recovery and Reinvestment Act (ARRA) Funds through the Oregon Department of Energy for the Portland/Multnomah County Clean Energy Fund Pilot**

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.

Requested Meeting Date: May 7, 2009 **Amount of Time Needed:** 5 minutes
Department: Department of County Management **Division:** Director
Contact(s): Jeff Cogen, Warren Fish, Tim Lynch
Phone: 503.988.4094 **Ext.** x 84094 **I/O Address:** 503/4 or 503/6
Presenter(s): Warren Fish, Tim Lynch

General Information

1. What action are you requesting from the Board?

Authorize of the application for and acceptance of a \$1,684,000 grant to fund the Portland/Multnomah Clean Energy Fund Pilot.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

Building energy efficiency is one of the most important environmental issues of the 21st Century, and is one of the key target areas in the Portland/Multnomah County Climate Action Plan that is currently being drafted. Increasing the energy efficiency of buildings will allow us to slow and ultimately reverse the demand for building energy (which represents 41% of the greenhouse gases generated in Multnomah County). The American Recovery and Reinvestment Act of 2009 (ARRA) or "Federal Stimulus" presents a once in a generation opportunity to fund innovative energy efficiency projects in our community. This request for ARRA funding from the Oregon Department of Energy will, along with significant contributions of funding from the City of Portland, allow a clean energy revolving loan fund to be created. The purpose of this fund will be to pilot an innovative program whereby home owners will receive project facilitation assistance and low-cost financing to perform energy efficiency retrofits on their homes. Through a partnership with the three local utility companies, home owners will be able to repay the cost of the retrofit on their

utility bill. While the idea is simple, this creative and efficient solution will overcome many of the barriers that exist today for home owners to take action on energy efficiency. Perhaps most significantly, the revolving nature of the loan program will leverage one time funding into a self sustaining program that will lead to long term job creation and continually increasing energy savings. Anticipated project benefits include at least forty long term jobs created and over fifteen megawatts of energy saved over a thirty year period. (Additional project details are included in the attached project outline)

3. Explain the fiscal impact (current year and ongoing).

None. No matching requirement.

4. Explain any legal and/or policy issues involved.

Whether directly from the federal government or through the State, accepting stimulus money will obligate the County to provide monthly reporting and perhaps project auditing to verify that funds are spent in accordance with the grant program requirements.

5. Explain any citizen and/or other government participation that has or will take place.

The Clean Energy Fund is a collaborative effort between Multnomah County, the City of Portland, the Energy Trust of Oregon, Northwest Natural, Pacific Power, Portland General Electric, the Portland Development Commission, Shorebank Pacific, and Conservation Services Group. All of these parties have committed to the success of the project. Significant outreach to the contractor community that will be involved in the energy efficiency work has been conducted. Outreach to the initial participants of the pilot is anticipated to begin in Summer of 2009. The initial pilot has a goal of completing energy efficiency upgrades on 500 homes by September, 2010.

ATTACHMENT A

Grant Application/Notice of Intent

If the request is a Grant Application or Notice of Intent, please answer all of the following in detail:

- **Who is the granting agency?**

The Oregon Department of Energy (ODOE)

- **Specify grant (matching, reporting and other) requirements and goals.**

\$1,684,000 will be requested by Multnomah County from ODOE from the ARRA State Energy Program Fund and/or ARRA Energy Efficiency Conservation Block Grants available to "small" cities and counties. This grant amount is equal to 50% of the estimated total project cost for the development and full capitalization of the Clean Energy Fund, totaling \$3,368,000. Other project partners have committed additional matching funds totaling the remaining costs of the total project costs. Multnomah County will not be providing additional financial resources beyond the amount requested from ODOE and there is no financial match from Multnomah County for this grant request.

Significant reporting will be required on the use of these funds, consistent with all ARRA funded projects. As reporting requirements will be similar for all project participants, project partner administrative resources will be leveraged to minimize the reporting burden required of Multnomah County. Multnomah County will already be required to submit regular reporting on other ARRA funds outside of this project, and it is anticipated that reporting for this grant can be included as part of that process. Project indicators that will need to be regularly reported include:

1. Jobs created
2. Energy saved
3. GHG emissions reduced
4. Energy cost savings
5. Federal Funds leveraged

- **Explain grant funding detail – is this a one time only or long term commitment?**

Grant funds are one time only. The Clean Energy Fund is a long term initiative that the County will continue to be closely involved with in partnership with the City of Portland, but no additional financial contributions for the project are anticipated, nor are any required with the use of these funds.

- **What are the estimated filing timelines?**

In order to comply with the compressed application timeline surrounding the use of ARRA funding, an initial project outline and request for funding was submitted to ODOE on April 15th. It is anticipated that if the initial project outline for the Clean Energy Fund project is accepted by ODOE, Multnomah County will be requested to submit a formal application to ODOE and/or US Department of Energy within 30 – 60 days. Once the project has been formally approved, Multnomah County will need to submit an Energy Efficiency and Conservation Strategy (EECS) for the project to ODOE and US Department of Energy within 120 days.

- **If a grant, what period does the grant cover?**

All funds must be obligated/committed within 18 months of the effective date of the grant award and expended within 36 months of the effective date of the award.

- **When the grant expires, what are funding plans?**

No additional funding plans are required. The total grant amount received will be transferred to the Clean Energy Fund revolving loan fund as soon as is practicable.

- **How will the county indirect, central finance and human resources and departmental overhead costs be covered?**

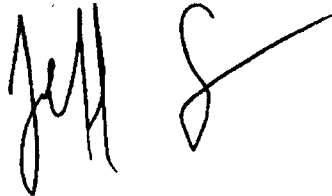
No administrative expenses or County staff time are anticipated to be covered by this grant.

However, if it is determined that grant administration on the part of Multnomah County is significant, a portion of the grant funds could be reserved to cover administrative expenses incurred by the County.

ATTACHMENT B

Required Signatures

Elected Official or
Department/
Agency Director:



Date: 04/29/09

Budget Analyst:



Date: 04/30/09

Multnomah County, with our project partners, will launch a Clean Energy Fund aimed at saving energy, creating jobs, and reducing greenhouse gasses. The Clean Energy Fund ("the Fund") will help county residents invest in energy efficiency in their homes by working to lower the barrier of upfront costs associated with energy efficiency retrofits. The Fund will offer low-interest, long-term financing which can be repaid via the utility bill, and will also make completion of energy efficiency retrofits easier for homeowners through sophisticated project facilitation.

Our committed project partners include the City of Portland, the Energy Trust of Oregon, Northwest Natural, Pacific Power, Portland General Electric, the Portland Development Commission, Shorebank Pacific, and Conservation Services Group. The Fund will launch as a scalable 500 home pilot project, with plans to expand countywide upon successful completion. The Clean Energy Fund pilot project you are asked to fund using Multnomah County's thus far undisbursed share of Energy Efficiency Conservation Block Grant dollars will test the following groundbreaking approaches:

Enhanced home energy review

The Energy Trust of Oregon is developing a one-stop-shop approach to engaging residents in moving quickly from an audit to the pursuit of deep energy efficiency retrofits. Tools to aid residents include a net-neutral financing model that comes with an on-bill repayment option, as well as an "energy advocate" who coordinates multiple contractors.

On-bill repayment

With easy repayment as a goal, on-utility-bill repayment will be offered to homeowners. Qualification criteria will likely be based on utility bill payment history combined with some form of credit check. All three of our local utilities—Northwest Natural Gas, Pacific Power, and PGE—have agreed to participate in the Clean Energy Fund pilot; details are currently under active discussion.

Sources of capital

The Fund will ultimately enable a variety of sources of capital – from public to private to foundation – to be blended into a pool that ensures intended rates of return for each investor or lender. Equity capital to seed the pilot may come from the Oregon Department of Energy, federal ARRA funding, and/or this grant.

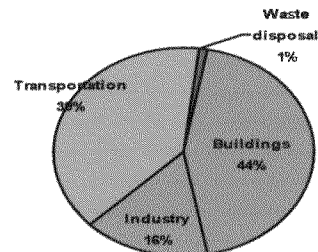
Risk management

Underwriting criteria are in the process of being developed. It is intended that participating utilities will bear little to zero risk. A private sector fund manager will underwrite and administer the loans on behalf of Multnomah County and the City of Portland.

Outreach

Multnomah County, the City of Portland, the Energy Trust of Oregon, and our three local utility partners will be the chief promoters of the Fund. Homeowners will be encouraged decrease their carbon footprint and save money on energy bills by signing up for an Energy Trust audit, completing an energy efficiency retrofit, and accessing low interest financing with on-bill repayment.

Greenhouse gas emissions by sector, Multnomah County



Project scope & details:

- 500 home pilot (Focus: Single-family owned homes)
- PacifiCorp, NW Natural, and PGE service territory
- Workforce development system being developed alongside pilot (WSI taking lead)
- Scalability to statewide (EEAST) and national efforts

Prove financial model

- Use stimulus money to enable cost-neutral proposition re: simple weatherization with an add-option for additional upgrades.
- Customers can choose between self financing, Umpqua Bank "Green Street Lending," or Clean Energy Fund financing with on-bill repayment.
- Private third party fund manager will handle underwriting, collections, loan loss reserves, and coordination of loan repayment with the utilities.
- Assemble portfolio of loan assets to be sold to secondary market so the Fund can be further leveraged with additional capital partners
- Confirm savings/return assumptions to size risk management approach

Metrics: *Actual to budget comparisons; actual vs. calculated energy use reduction; loan loss reserves and measure savings; identification of secondary market*

Test attractiveness of various sweeteners to homeowners

- Cost-neutral cost proposition re: simple weatherization with add-option
 - a) Save more on energy bills than it costs to service the loan.
- Enhanced home energy review
 - a) HomeCheck software
 - b) Custom printout of recommended measures, costs, and energy savings.
 - c) Present multiple low-cost financing choices:
 - Utility on-bill repayment
 - Umpqua Bank "GreenStreet Lending"
 - Self financed or existing line of credit
 - (On-property-tax-bill-financing, pending state law change)
- Neutral third party 'Energy advocate' helps customer understand retrofit options, review contractor bid, and decide on financing choice
- Outreach messaging/social marketing

Metrics: *Pre/post energy & costs analysis; customer satisfaction surveys; % conversion rate*



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST (long form)

Board Clerk Use Only

Meeting Date: 05/07/09
Agenda Item #: R-13
Est. Start Time: 10:55 AM
Date Submitted: 04/29/09

Agenda Title: RESOLUTION Approving a Memorandum of Agreement with Portland Metropolitan Regional Partners and the State of Oregon Establishing a Coordinated Effort and Request for Federal Stimulus Funds for the Deployment of Electric Vehicles and Electric Vehicle Infrastructure

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.

Requested Meeting Date: May 7, 2009 Amount of Time Needed: 5 minutes
Department: Department of County Management Division: Director, FREDs
Contact(s): Jeff Cogen, Marissa Madrigal, Rich Swift, Tim Lynch
Phone: 503.988.4094 Ext. x 84094 I/O Address: 503/4 or 503/6
Presenter(s): Rich Swift, Tim Lynch

General Information

1. What action are you requesting from the Board?

Approval of resolution adopting a Memorandum of Agreement (MOA) with the City of Portland and other regional partners establishing a collaborative effort to secure federal American Recovery and Reinvestment Act (ARRA) funds and a unified approach to the deployment of electric vehicles and their infrastructure.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

The American Recovery and Reinvestment Act (ARRA) of 2009 funds, also known as the federal stimulus, presents a once-in-a-generation opportunity to shift to a new, clean mode of transportation. Based on feedback from the US Department of Energy and ODOE, a unified regional approach for funding will greatly increase the likelihood that this region, including Multnomah County, will be eligible for ARRA funds for electric vehicle fleet and infrastructure development. This MOA is a first step towards outlining a comprehensive and unified strategy for simplifying the adoption of electric vehicles in the region. The MOA (attached) outlines a number of activities Multnomah County will agree to participate in, including:

- Collaborating on the development of a regional electric vehicle strategy

- Consideration of conversion of County fleet to electric vehicles and the installation of charging infrastructure
- Supporting statewide and regional efforts to create consistent infrastructure, permitting and education

3. Explain the fiscal impact (current year and ongoing).

None.

4. Explain any legal and/or policy issues involved.

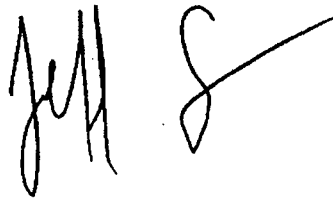
The MOA is non-binding, and states only that Multnomah County supports and will be an active participant in the regional collaboration effort on electric vehicles.

5. Explain any citizen and/or other government participation that has or will take place.

Regional partners, including the City of Portland, Washington County, Clackamas County and other local jurisdictions, along with representative from the Oregon Department of Energy (ODOE) and key business leaders including local utilities, have actively engaged in discussions about how to develop a unified approach in the deployment of electric vehicles and associated infrastructure and the application for ARRA funds to aid in this deployment. The purpose of this MOA is to guide these discussions and ensure that a clear, unified approach to electric vehicle deployment is created, including consistent community engagement and education.

Required Signature

**Elected Official or
Department/
Agency Director:**

A handwritten signature in black ink, appearing to be 'JH S', is written over a horizontal line.

Date: 04/29/09

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. _____

Approving a Memorandum of Agreement with Portland Metropolitan Regional Partners and the State of Oregon Establishing a Coordinated Effort and Request for Federal Stimulus Funds for the Deployment of Electric Vehicles and Electric Vehicle Infrastructure

The Multnomah County Board of Commissioners Finds:

- a. Transportation accounts for 39% of greenhouse gas emissions in Multnomah County and is a key contributor to regional air quality issues that adversely affect public health.
- b. Electric vehicles present an opportunity for Oregon and the region to reduce emissions while asserting a leading national role in cutting edge clean energy technology.
- c. The American Recovery and Reinvestment Act present a once-in-a-generation opportunity to invest in the infrastructure to make electric vehicles an affordable reality to families and organizations across Oregon.
- d. The Memorandum of Agreement states that Multnomah County and regional partners will:
 1. Participate in the development of a regional electric vehicle strategy, including collaboration on funding applications, charging station roll out, and stake holder engagement.
 2. Fully utilize statewide purchase agreements for acquiring electric vehicle charging equipment to promote consistent facilities and promote public recognition of stations and acceptance of technology.
 3. Look for opportunities within each organization to upgrade internal fleets and eliminate permitting and other barriers to electric vehicle deployment.

The Multnomah County Board of Commissioners Resolves:

1. The attached Memorandum of Agreement with the City of Portland and other regional partners is approved and the County Chair is directed to sign the agreement.

ADOPTED this 7th day of May, 2009.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Ted Wheeler, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By _____
John S. Thomas, Deputy County Attorney

SUBMITTED BY:
Commissioner Jeff Cogen

Memorandum of Agreement

A coordinated effort to prepare the Portland region and the State of Oregon for electric vehicle plug-in funding opportunities provided through the Department of Energy's Clean Cities Alternative Fuel and Advanced Technology Vehicle Pilot Program.

The Memorandum of Agreement, effective April , 2009, is being executed by the following local governments, agencies, and stakeholders:

Please confirm that your jurisdiction supports the agreement and insert your jurisdiction here and email this document to soppenheim@ci.portland.or.us

I. Purpose and Mission

The undersigned parties seek to establish a coordinated effort to prepare the Portland metropolitan region and the State of Oregon for electric vehicles, and to coordinate a request for federal stimulus funds through the Department of Energy's Clean Cities Alternative Fuel and Advanced Technology Vehicle Pilot Program, with the goal of installing 500 electric vehicle plug-in stations in Oregon by the end of 2010, 75- 100 in the Portland Metro Region, as well as establishing a regional framework for promotion and integration of electric vehicles in Oregon. Funding will also be used to acquire fleet vehicles to help quantify the benefits of electric vehicles both in terms of emission reductions and operational savings.

The parties are committed to:

- reducing greenhouse gas emissions in Oregon; and,
- reducing vehicle miles traveled on our roads; and,
- promoting a balanced transportation system that values all modes of transportation; and,
- reducing our dependence on oil and all petroleum based products.

Whereas individuals, government entities, private businesses and public utilities across the state see the promotion and integration of electric vehicles in Oregon as an opportunity to achieve these goals; and

Whereas establishing the infrastructure for electric vehicles will require a regional approach to meet the needs of the community.

Whereas the American Recovery and Reinvestment Act of 2009 provides a once-in-a-generation opportunity to invest in the infrastructure that can make electric cars an affordable reality to families across Oregon and ensures our stimulus dollars are spent the "Oregon Way;"

II. The Parties Intend To

1. Participate in the development of a regional strategy to ready the region for electric vehicles.
2. Collaborate on funding applications and identify sources to fund regional network.
3. Participate in the electric vehicle fleet and charging station roll out through a process coordinated by the City of Portland, Oregon Department of Energy, Oregon Department of Transportation, PGE and Pacific Power.
4. Create a collaborative stakeholder group to help further regulatory, commercial, and community interests related to electric vehicles.
5. Consider conversions of vehicle to electric plug-in.
6. Construct charging infrastructure in our communities consistent with statewide standards and sufficient to meet regional and statewide demands.
7. Fully utilize statewide purchase agreements for acquiring electric vehicle charging equipment to promote consistent facilities, public recognition of stations and acceptance of technology.
8. Participate in the development of easy-to-follow installation guide for charging stations to help brand the look and feel of the "Oregon network" and local efforts such as "Charge Up Greater Portland."
9. Support both the statewide network and "Charge Greater Up Portland" regional marketing efforts with appropriate incentives.
10. Support state and federal tax rebates for the purchase of electric vehicles.
11. Support the education of drivers on the safe and appropriate use of electric vehicles.
12. Support dealerships that will market and sell electric vehicles by enabling them to integrate the purchase of vehicles, home charging units and necessary permits at one location.
13. Support the importing and manufacturing of electric cars in the region.
14. Support the education and training of technicians who will maintain and repair electric vehicles according to industry safe standards.
15. Fast track permitting for charging stations on private property.
16. Ensure new and reconstruction/renovation building codes and future development standards and incentives support plug-ins.
17. Include electric vehicles in each jurisdiction's commitment to reduce greenhouse gas emissions.
18. Develop an evaluation and oversight program.

This MOA is not a legally binding document, rather it is a statement of the Parties' intent to proceed in a cooperative and collaborative manner to quickly and efficiently move towards preparing the region for electric vehicles.

BOGSTAD Deborah L

From: LYNCH Tim J
Sent: Wednesday, May 06, 2009 4:46 PM
To: BOGSTAD Deborah L
Subject: FW: County Attorney Review of Electric Vehicle Resolution/MOA

Hi Deb,

See Bernadette's email below for County Attorney approval of the resolution. I misunderstood about who would actually be signing the Resolution from her office and have attached a corrected version with Bernadette's name in the signature line.

Please let me know if there is anything else I can do to help.

Tim

From: NUNLEY Bernadette D
Sent: Friday, May 01, 2009 10:48 AM
To: LYNCH Tim J
Subject: RE: County Attorney Review of Electric Vehicle Resolution/MOA

Hi Tim,

The MOA looks fine. I recommend changing the term "Agreement" to "Understanding," as the Board is more familiar with signing Memorandums of Understanding.

Other than that, these documents have been reviewed and may be circulated for signature. (This language serves as my signature—I don't have to actually sign it at this time and an attorney from our office will sign the final documents prior to the Board meeting. You don't have to take care of this piece—Board staff will bring me the documents for a final signature.)

Thanks!
Bernadette

--

From: LYNCH Tim J
Sent: Wednesday, April 29, 2009 4:53 PM
To: NUNLEY Bernadette D
Subject: County Attorney Review of Electric Vehicle Resolution/MOA

Hello Bernadette,

It was suggested that you or John Thomas would be able to review an MOA that we hope to enter into with the City of Portland and other regional partners (TBD) that outlines a coordinated regional effort on electric vehicle deployment. I have attached a copy of the draft resolution, the APR, and the MOA that was created by the City of Portland. Marissa Madrigal from Commissioner Cogen's Office had this initially reviewed by County Attorney a few weeks ago, but my understanding is that there needs to be a formal review done before the Board can move ahead on this.

Apparently I am running quite late on this process, I haven't worked with the Board and County Attorney much so I didn't realize how much time it would take to get things through the motions. I was hoping to have this on the agenda for May 7th but I might be pushing my luck at this point. Any ideas about what it will take to get this

5/6/2009

"approved" by your team?

Thanks for any info you have and patience for a neophyte.

Best regards,

Tim

Tim Lynch
Program Development Specialist
Multnomah County Sustainability Program
tim.j.lynch@co.multnomah.or.us
503-988-4094

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 09-053

Approving an Agreement with Portland Metropolitan Regional Partners and the State of Oregon Establishing a Coordinated Effort and Request for Federal Stimulus Funds for the Deployment of Electric Vehicles and Electric Vehicle Infrastructure

The Multnomah County Board of Commissioners Finds:

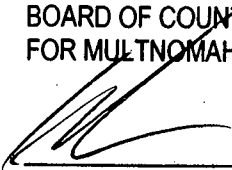
- a. Transportation accounts for 39% of greenhouse gas emissions in Multnomah County and is a key contributor to regional air quality issues that adversely affect public health.
- b. Electric vehicles present an opportunity for Oregon and the region to reduce emissions while asserting a leading national role in cutting edge clean energy technology.
- c. The American Recovery and Reinvestment Act present a once-in-a-generation opportunity to invest in the infrastructure to make electric vehicles an affordable reality to families and organizations across Oregon.
- d. The Agreement states that Multnomah County and regional partners will:
 1. Participate in the development of a regional electric vehicle strategy, including collaboration on funding applications, charging station roll out, and stake holder engagement.
 2. Fully utilize statewide purchase agreements for acquiring electric vehicle charging equipment to promote consistent facilities and promote public recognition of stations and acceptance of technology.
 3. Look for opportunities within each organization to upgrade internal fleets and eliminate permitting and other barriers to electric vehicle deployment.

The Multnomah County Board of Commissioners Resolves:

1. The attached Agreement with the City of Portland and other regional partners is approved and the County Chair is directed to sign the agreement.

ADOPTED this 7th day of May, 2009.

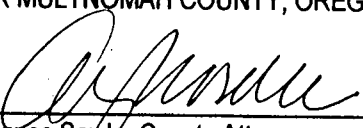
BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON



Ted Wheeler, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 

Agnes Sowle, County Attorney

SUBMITTED BY: Commissioner Jeff Cogen

EXHIBIT A

Agreement

A coordinated effort to prepare the Portland region and the State of Oregon for electric vehicle plug-in funding opportunities provided through the Department of Energy's Clean Cities Alternative Fuel and Advanced Technology Vehicle Pilot Program.

The Agreement, effective April ____, 2009, is being executed by the following local governments, agencies, and stakeholders:

Please confirm that your jurisdiction supports the agreement and insert your jurisdiction here and email this document to soppenheim@ci.portland.or.us

I. Purpose and Mission

The undersigned parties seek to establish a coordinated effort to prepare the Portland metropolitan region and the State of Oregon for electric vehicles, and to coordinate a request for federal stimulus funds through the Department of Energy's Clean Cities Alternative Fuel and Advanced Technology Vehicle Pilot Program, with the goal of installing 500 electric vehicle plug-in stations in Oregon by the end of 2010, 75- 100 in the Portland Metro Region, as well as establishing a regional framework for promotion and integration of electric vehicles in Oregon. Funding will also be used to acquire fleet vehicles to help quantify the benefits of electric vehicles both in terms of emission reductions and operational savings.

The parties are committed to:

- reducing greenhouse gas emissions in Oregon; and,
- reducing vehicle miles traveled on our roads; and,
- promoting a balanced transportation system that values all modes of transportation; and,
- reducing our dependence on oil and all petroleum based products.

Whereas individuals, government entities, private businesses and public utilities across the state see the promotion and integration of electric vehicles in Oregon as an opportunity to achieve these goals; and

Whereas establishing the infrastructure for electric vehicles will require a regional approach to meet the needs of the community.

Whereas the American Recovery and Reinvestment Act of 2009 provides a once-in-a-generation opportunity to invest in the infrastructure that can make electric cars an affordable reality to families across Oregon and ensures our stimulus dollars are spent the "Oregon Way;"

II. The Parties Intend To

1. Participate in the development of a regional strategy to ready the region for electric vehicles.
2. Collaborate on funding applications and identify sources to fund regional network.
3. Participate in the electric vehicle fleet and charging station roll out through a process coordinated by the City of Portland, Oregon Department of Energy, Oregon Department of Transportation, PGE and Pacific Power.
4. Create a collaborative stakeholder group to help further regulatory, commercial, and community interests related to electric vehicles.
5. Consider conversions of vehicle to electric plug-in.
6. Construct charging infrastructure in our communities consistent with statewide standards and sufficient to meet regional and statewide demands.
7. Fully utilize statewide purchase agreements for acquiring electric vehicle charging equipment to promote consistent facilities, public recognition of stations and acceptance of technology.
8. Participate in the development of easy-to-follow installation guide for charging stations to help brand the look and feel of the "Oregon network" and local efforts such as "Charge Up Greater Portland."
9. Support both the statewide network and "Charge Greater Up Portland" regional marketing efforts with appropriate incentives.
10. Support state and federal tax rebates for the purchase of electric vehicles.
11. Support the education of drivers on the safe and appropriate use of electric vehicles.
12. Support dealerships that will market and sell electric vehicles by enabling them to integrate the purchase of vehicles, home charging units and necessary permits at one location.
13. Support the importing and manufacturing of electric cars in the region.
14. Support the education and training of technicians who will maintain and repair electric vehicles according to industry safe standards.
15. Fast track permitting for charging stations on private property.
16. Ensure new and reconstruction/renovation building codes and future development standards and incentives support plug-ins.
17. Include electric vehicles in each jurisdiction's commitment to reduce greenhouse gas emissions.
18. Develop an evaluation and oversight program.

This AGREEMENT is not a legally binding document; rather it is a statement of the Parties' intent to proceed in a cooperative and collaborative manner to quickly and efficiently move towards preparing the region for electric vehicles.

MAY 7, 2009
EXCERPT OF ANNOTATED MINUTES
(JUST PRIOR TO AGENDA ITEM R-14)

DEPARTMENT OF HEALTH

UC-1 PROCLAMATION Proclaiming May 6th to May 12th, 2009 as Nurses Week in Multnomah County, Oregon

AT THE REQUEST OF COMMISSIONER MCKEEL, CHAIR WHEELER REQUESTED A MOTION TO UNANIMOUSLY CONSIDER AND RATIFY A PROCLAMATION SIGNED BY THE BOARD ON TUESDAY, MAY 5, 2009.

COMMISSIONER COGEN MOVED AND COMMISSIONER KAFOURY SECONDED, APPROVAL OF UC-1.

COMMISSIONER MCKEEL READ THE PROCLAMATION. AT THE REQUEST OF CHAIR WHEELER, HEALTH DEPARTMENT DIRECTOR LILLIAN SHIRLEY AND SEVERAL HEALTH DEPARTMENT NURSES IN THE AUDIENCE STOOD AND WERE RECOGNIZED. CHAIR WHEELER COMMENTED IN APPRECIATION AND SUPPORT FOR THE INCREDIBLE WORK OF ALL COUNTY HEALTH NURSES.

PROCLAMATION 09-049 ADOPTED MAY 5, 2009 WAS UNANIMOUSLY RATIFIED. [4-0]

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

PROCLAMATION NO 09-049

Proclaiming May 6th to May 12th, 2009 as Nurses Week in Multnomah County, Oregon

The Multnomah County Board of Commissioners Finds:

- a. The Multnomah County Board of Commissioners recognizes the contributions of professional Nursing to all of the residents of Multnomah County. The contributions of these dedicated professionals help to preserve, promote and protect the health and well being of many of Multnomah County's most vulnerable and underprivileged of clients. Nurses save lives, preserve physical and mental abilities, prevent deaths, prevent disabilities and save money. They contribute to the public good through helping to achieve the highest levels of health possible for individuals and the community at large.
- b. The Multnomah County Board of Commissioners further recognizes the personal and professional commitment to excellence in care that Nurses make to their clients through ;
 - Respect for of the dignity, uniqueness and worth of every individual,
 - Advocacy for the rights and safety of the client,
 - Accountability for the provision of optimum client care,
 - Assurance of the cultural relevance of care given,
 - Responsibility to maintain professional competence,
 - Contributing to social policy that improves health environments, and
 - Collaboration with others for the best possible client care.

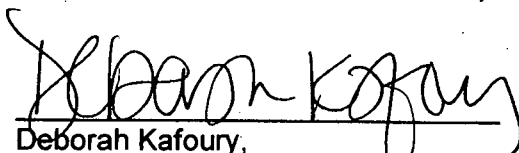
The Multnomah County Board of Commissioners Proclaims:


The Week of May 6th through May 12th, 2009 as Nurses Week in Multnomah County, Oregon where working in partnership with diverse communities promotes Healthy People in Healthy Communities.

ADOPTED this 5th day of May, 2009.

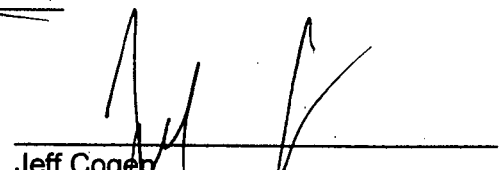
BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY OREGON



Ted Wheeler, County Chair


Deborah Kafoury,
Commissioner District 1


Judy Shiprack,
Commissioner District 3




Jeff Coger,
Commissioner District 2


Diane McKeel,
Commissioner District 4

SUBMITTED BY:
Lillian Shirley, Director, Department of Health



MULTNOMAH COUNTY

AGENDA PLACEMENT REQUEST (Budget Modification)

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-14 DATE 05/07/09
DEBORAH L. BOGSTAD, BOARD CLERK

Board Clerk Use Only

Meeting Date: 05/07/09
Agenda Item #: R-14
Est. Start Time: 11:00 AM
Date Submitted: 04/21/09

BUDGET MODIFICATION: HD-15

BUDGET MODIFICATION HD-15 Appropriating \$26,505 in Revenue from the
Agenda State of Oregon, Department of Human Services – School Based Health Center
Title: Expansion Evaluation Project

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.

Requested Meeting Date: May 7, 2009 **Amount of Time Needed:** 5 minutes
Department: Health **Division:** Community Health Promotion, Partnerships and Planning
Contact(s): Lester A. Walker, Finance and Budget Manager
Phone: (503) 988-3674 **Ext.** 26457 **I/O Address:** 167/2/210
Presenter(s): Haiou He, Research/Evaluation Supervisor

General Information

1. What action are you requesting from the Board?

Approval of appropriation of \$26,505 in additional funding from the State of Oregon – Department of Human Services – Public Health Services FY2009 Financial Assistance Award: School Based Health Center Expansion Evaluation Project.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

The Oregon Public Health Division, Office of Family Health has contracted with the Multnomah County Health Department - Program Design and Evaluation Services (PDES) to provide its expertise and services to help with its School Based Health Center (SBHC) Expansion Evaluation Project. Under this contract, PDES will identify Oregon county level interest in SBHC expansion for 2009 legislative Policy Option Package (POP) Development. These activities will include identifying interest level and barriers to SBHC expansion in the 11 remaining Oregon counties

where SBHCs are not located, as well as identifying interest level and barriers to SBHC expansion in counties with existing SBHCs. Additionally, PDES will assess SBHC model expansion into rural Oregon community college settings. This work will include examining the current healthcare delivery system within the rural Oregon community college system; assessing demographic information to anticipate rural community college medical needs; and evaluating administrative interest in improving community college campus health access and services.

This increase in funding affects Program Offer 40035A – Health Planning and Evaluation. This action supports the Health Department's evaluation efforts aimed at examining the effectiveness of programs and initiatives, and identifying opportunities for community health improvement.

3. Explain the fiscal impact (current year and ongoing).

Approval of this budget modification will increase the Health Department's federal/state FY09 budget by \$26,505.

4. Explain any legal and/or policy issues involved.

The results of this evaluation will be used for 2009 legislative Policy Option Package.

5. Explain any citizen and/or other government participation that has or will take place.

This evaluation will involve some rural Oregon community college administration staff to assess administrative interest in improving community college campus health/mental health access and/or services.

ATTACHMENT A

Budget Modification

If the request is a **Budget Modification**, please answer all of the following in detail:

- **What revenue is being changed and why?**

The Health Department's federal/state revenue budget will increase by \$26,505 in FY09 as a result of the work performed under this award.

- **What budgets are increased/decreased?**

As a result of these changes the Health Department's budget will have the following changes:

- Temporary personnel budget will increase by \$11,986.
- Non base fringe expense budget will increase by \$3,768.
- Non base insurance benefits budget will increase by \$2,645.
- Professional services budget will increase by \$6,000.
- Central indirect budget will increase by \$559.
- Departmental indirect budget will increase by \$1,547.

- **What do the changes accomplish?**

Major goals/accomplishments for this contract are:

1. Identify Oregon county level interest in SBHC expansion for 2009 legislative POP Development.
 - Identify interest level and barriers to SBHC expansion in the 11 remaining Oregon counties where SBHCs are not located.
 - ✓ Is there current interest in SBHC development at the county public health level and/or the school district level?
 - ✓ Why haven't these counties applied for SBHC grant application in the past?
 - ✓ What are the barriers to applying? Should we consider other model alternatives?
 - Identify interest level and barriers to SBHC expansion in Oregon counties with existing SBHCs:
 - ✓ What is the current interest level in SBHC development at the county public health level and/or at the school district level?
 - ✓ Were there schools that were interested that did not apply and why?
 - ✓ Should we be targeting school districts as opposed to county public health?
2. Assess SBHC model expansion into a rural Oregon community college setting. Develop tools and methodology (internet, phone survey, and meet with IPO).
 - Assess the current healthcare delivery system within rural Oregon community college system.
 - Assess demographics or rural community college population to anticipate medical needs.
 - Map Oregon community college locations, potential SBHC target campus.
 - Assess administrative interest in improving community college campus health/mental health access and/or services.

- **Do any personnel actions result from this budget modification? Explain.**

No additional FTE will result from this budget modification. Existing FTE (Research/Evaluation

Analyst/Supervisor) will perform services and will be covered by other contracts and grants when this project ends.

- **How will the county indirect, central finance and human resources and departmental overhead costs be covered?**

The revenue covers these costs.

- **Is the revenue one-time-only in nature? Will the function be ongoing? What plans are in place to identify a sufficient ongoing funding stream?**

The funding is one time only in nature. There will be no need for continued funding once the project has been completed.

- **If a grant, what period does the grant cover?**

The grant covers budget period 7/1/08 – 06/30/09.

- **If a grant, when the grant expires, what are funding plans?**

Grant funds cover the completion of the project. Continued funding will not be needed.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

ATTACHMENT B

BUDGET MODIFICATION: HD - 15

Required Signatures

Elected Official
or Department/
Agency Director:

*Karin Jensen for
William Sharitz*

Date: 04-20-09

Budget Analyst:

Angela Burdine

Date: 04/23/09

Department HR:

Jessica Hellerke

Date: 04/14/09

Countywide HR:

Elizabeth H. Nunes

Date:

Budget Modification ID: **HD-09-15****EXPENDITURES & REVENUES**

Please show an increase in revenue as a negative value and a decrease as a positive value for consistency with SAP.

Budget/Fiscal Year: 2009

Line No.	Fund Center	Fund Code	Program #	Func. Area	Internal Order	Accounting Unit		Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
						Cost Center	WBS Element						
1	40-16	32290	40035A	30			4SA81-1	50190	-	(26,505)	(26,505)		Grant Revenue - Care Oregon BBC
2	40-16	32290	40035A	30			4SA81-1	60100	-	11,986	11,986		Increase Temporary Personnel
3	40-16	32290	40035A	30			4SA81-1	60135	-	3,768	3,768		Increase Temp Fringe
4	40-16	32290	40035A	30			4SA81-1	60145	-	2,645	2,645		Increase Temp Insurance
5	40-16	32290	40035A	30			4SA81-1	60170	-	6,000	6,000		Increase Professional Services
6	40-16	32290	40035A	30			4SA81-1	60350	-	559	559		Increase Central Indirect
7	40-16	32290	40035A	30			4SA81-1	60355	-	1,547	1,547		Increase Departmental Indirect
8													
9	19	1000	40035A	20		9500001000		50310	-	(559)	(559)		Indirect reimbursement rev in GF
10	19	1000	40035A	20		9500001000		60470	-	559	559		CGF Contingency expenditure
11													
12	40-90	1000	40035A	30		409050		50370	(4,612,002)	(4,613,549)	(1,547)		Indirect dept reimbursement rev in GF
13	40-90	1000	40035A	30		409001		60000	336,064	337,611	1,547		Off setting dept expenditure in GF
14													
15	72-10	3500	40035A	20		705210		50316	-	(2,645)	(2,645)		Insurance Revenue
16	72-10	3500	40035A	20		705210		60330	-	2,645	2,645		Offsetting Transaction
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MULTNOMAH COUNTY

AGENDA PLACEMENT REQUEST (Budget Modification)

APPROVED: MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-15 DATE 05/07/09
DEBORAH L. BOGSTAD, BOARD CLERK

Board Clerk Use Only

Meeting Date: 05/07/09
Agenda Item #: R-15
Est. Start Time: 11:07 AM
Date Submitted: 04/22/09

BUDGET MODIFICATION: HD-16

BUDGET MODIFICATION HD-16 Appropriating \$16,000 in Revenue from the
Agenda State of Oregon, Department of Human Services – Fetal Alcohol Syndrome
Title: Surveillance Program

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.

Requested Meeting Date: May 7, 2009 **Amount of Time Needed:** 5 minutes
Department: Health **Division:** Community Health Promotion, Partnerships and
Contact(s): Lester A. Walker, Finance and Budget Manager
Phone: (503) 988-3674 **Ext.** 26457 **I/O Address:** 167/2/210
Presenter(s): Haiou He, Research/Evaluation Supervisor

General Information

1. What action are you requesting from the Board?

Approval of appropriation of \$16,000 in additional funding from the State of Oregon – Department of Human Services – Public Health Services FY2009 Financial Assistance Award: Fetal Alcohol Syndrome Surveillance Program; with the purpose of ascertaining the prevalence of Fetal Alcohol Syndrome among children in Oregon.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

The Oregon Public Health Division, Office of Family Health has contracted with the Multnomah County Health Department – Program Design and Evaluation Services (PDES) to provide its expertise and services to help with its Centers for Disease Control and Prevention funded Fetal Alcohol Syndrome (FAS) Surveillance Program. Under this contract, PDES will provide the following activities:

- (A.) Epidemiologic oversight and consultation for FAS surveillance policies, processes

and activities.

- (B.) Assisting surveillance staff in prioritizing surveillance needs and activities.
- (C.) Provide oversight of data management and abstraction activities.
- (D.) Mentoring of surveillance staff, particularly research analyst, in data management and statistical analysis activities.
- (E.) Provide guidance to research analyst on conducting statistical analysis of the FAS Surveillance Program's FASSLink database.

This increase in funding affects Program Offer 40035A – Health Planning and Evaluation. This action supports the Health Department's evaluation efforts aimed at examining the effectiveness of programs and initiatives, and identifying opportunities for community health improvement.

3. Explain the fiscal impact (current year and ongoing).

Approval of this budget modification will increase the Health Department's federal/state FY09 budget by \$16,000.

4. Explain any legal and/or policy issues involved.

N/A

5. Explain any citizen and/or other government participation that has or will take place.

N/A

ATTACHMENT A

Budget Modification

If the request is a Budget Modification, please answer all of the following in detail:

- **What revenue is being changed and why?**

The Health Department's federal/state revenue budget will increase by \$16,000 in FY09 as a result of the work performed under this award.

- **What budgets are increased/decreased?**

As a result of these changes the Health Department's budget will have the following changes:

- Temporary personnel budget will increase by \$10,293.
- Non-base fringe expense budget will increase by \$2,696.
- Non-base insurance benefits budget will increase by \$1,715.
- Local Travel/Mileage budget will increase by \$25.
- Central indirect budget will increase by \$337.
- Departmental indirect budget will increase by \$934.

- **What do the changes accomplish?**

Activities, goals, and accomplishments of this project:

- PDES will provide support to the FAS Manager and FAS staff regarding the FAS Surveillance System. PDES in collaboration with Department management and staff will provide technical assistance, guidelines, tools, and training in methodologies, management, data management and staffing resources essential for FAS Surveillance.
- PDES will provide support to the FAS Management regarding decisions relating to surveillance and/or processes and systems to complete FAS Cooperative Agreement requirements. This work requires access to databases with identifiable information, including, but not limited to birth certificate data, Medicaid data, hospital records and the FASSLink database.
- PDES will provide epidemiologic expertise to the FAS Manager and surveillance team on surveillance system activities, study and/or analytic design and analysis of data.
- Additionally, PDES will provide the following activities:
 - Epidemiologic oversight and consultation for FAS surveillance policies, processes and activities.
 - Assisting surveillance staff in prioritizing surveillance needs and activities.
 - Provide oversight of data management and abstraction activities.
 - Mentoring of surveillance staff, particularly research analyst, in data management and statistical analysis activities.
 - Provide guidance to research analyst on conducting statistical analysis of the FAS Surveillance Program's FASSLink database.

- Final deliverable products are:
 - Participation in monthly CDC Principle Investigator conference calls and monthly FAS Surveillance System staff meetings.
 - Review and comment on surveillance related documents, presentations, and manuscripts.
 - Make recommendation to FAS Staff on surveillance system quality assurance (QA) procedures and analysis to determine effectiveness of ascertainment and validity of information gathered.
 - Make recommendations to FAS staff on maximizing data quality through the application of continuous QA procedures.
 - Provide consultation and guidance for any potential analysis of FASSLink and the interpretation of results.
 - Maintain the confidentiality of all data collected and stored in the FASSLink database.
- **Do any personnel actions result from this budget modification? Explain.**

No additional FTE will result from this budget modification. Existing FTE (Principal Investigator) will perform services and will be covered by other contracts and grants when this project ends.
- **How will the county indirect, central finance and human resources and departmental overhead costs be covered?**

The revenue covers these costs.
- **Is the revenue one-time-only in nature? Will the function be ongoing? What plans are in place to identify a sufficient ongoing funding stream?**

The funding is one time only in nature. There will be no need for continued funding once the project has been completed.
- **If a grant, what period does the grant cover?**

The grant covers budget period 7/1/08 – 06/30/09.
- **If a grant, when the grant expires, what are funding plans?**

Grant funds cover the completion of the project. Continued funding will not be needed.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

ATTACHMENT B

BUDGET MODIFICATION: HD - 16

Required Signatures

Elected Official
or Department/
Agency Director:

*Karin Jensen for
William Sharitz*

Date: 04-21-09

Budget Analyst:

Angela Boudine

Date: 04/23/09

Department HR:

Jessica Hellerbe

Date: 04/14/09

Countywide HR:

Elizabeth H. Nunes

Date:

Budget Modification ID: **HD-09-16****EXPENDITURES & REVENUES**

Budget/Fiscal Year: 2009

Please show an increase in revenue as a negative value and a decrease as a positive value for consistency with SAP.

Line No.	Fund Center	Fund Code	Program #	Func. Area	Accounting Unit		Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
					Internal Order	Cost Center	WBS Element					
1	40-16	32312	40035A	30			4SA82-1	50190	-	(16,000)	(16,000)	Grant Revenue - Care Oregon BBC
2	40-16	32312	40035A	30			4SA82-1	60100	-	10,293	10,293	Increase Temporary Personnel
3	40-16	32312	40035A	30			4SA82-1	60135	-	2,696	2,696	Increase Temp Fringe
4	40-16	32312	40035A	30			4SA82-1	60145	-	1,715	1,715	Increase Temp Insurance
5	40-16	32312	40035A	30			4SA82-1	60170	-	25	25	Increase Local Travel/Mileage
6	40-16	32312	40035A	30			4SA82-1	60350	-	337	337	Increase Central Indirect
7	40-16	32312	40035A	30			4SA82-1	60355	-	934	934	Increase Departmental Indirect
8												
9	19	1000	40035A	20		9500001000		50310	-	(337)	(337)	Indirect reimbursement rev in GF
10	19	1000	40035A	20		9500001000		60470	-	337	337	CGF Contingency expenditure
11												
12	40-90	1000	40035A	30		409050		50370	(4,612,002)	(4,612,936)	(934)	Indirect dept reimbursement rev in GF
13	40-90	1000	40035A	30		409001		60000	336,064	336,998	934	Off setting dept expenditure in GF
14												
15	72-10	3500	40035A	20		705210		50316	-	(1,715)	(1,715)	Insurance Revenue
16	72-10	3500	40035A	20		705210		60330	-	1,715	1,715	Offsetting Transaction
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										0	0	Total - Page 1
										0	0	GRAND TOTAL



MULTNOMAH COUNTY

AGENDA PLACEMENT REQUEST (Budget Modification)

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-16 DATE 05/07/09
DEBORAH L. BOGSTAD, BOARD CLERK

Board Clerk Use Only

Meeting Date: 05/07/09
Agenda Item #: R-16
Est. Start Time: 11:10 AM
Date Submitted: 04/21/09

BUDGET MODIFICATION: HD-17

BUDGET MODIFICATION HD-17 Appropriating \$149,941 in Revenue from the Robert Wood Johnson Foundation Healthy Eating Research Rapid Response Grant Program

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.

Requested Meeting Date: May 7, 2009 Amount of Time Needed: 5 minutes
Department: Health Division: Community Health Promotion, Partnerships and Planning
Contact(s): Lester A. Walker, Finance and Budget Manager
Phone: (503) 988-3674 Ext. 26457 I/O Address: 167/2/210
Presenter(s): Haiou He, Research/Evaluation Supervisor

General Information

1. What action are you requesting from the Board?

Approval of appropriation of \$149,941 in additional funding from the Robert Wood Johnson Foundation Healthy Eating Research Rapid Response Grant Program to evaluate Multnomah County's chain restaurant nutrition labeling policy.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

The Board of County Commissioners, acting as the County Board of Health, adopted the Chain Restaurant Nutrition Labeling Policy as recommended by the Chronic Disease Prevention Program, with several Amendments proposed by Commissioner Naito, on July 31, 2008. Program Design and Evaluation Services, a unit of the Health Department, has been asked by the Robert Wood Johnson Foundation to evaluate the implementation and initial effect of the policy. A similar evaluation study has already been approved in Seattle, King County. Adding Multnomah County as a second

study site has the potential to greatly strengthen the data obtained from each individual study.

The goals of the project are to determine the change in average calories, saturated fat, and sodium of restaurant purchases; the change in the percentage of customers who have seen and used nutrition information when making their purchase; the change in menu offerings and nutritional values of menu items; and changes in restaurant environments, such as pricing, signage, or promotion of healthy and unhealthy foods.

This opportunity to evaluate the chain restaurant nutrition labeling policy will provide the Board, the Health Department and other areas throughout the nation with insight into the effectiveness of this type of policy.

This increase in funding affects Program Offer 40035A – Health Planning and Evaluation. This action supports the Health Department's evaluation efforts aimed at examining the effectiveness of programs and initiatives, and identifying opportunities for community health improvement.

3. Explain the fiscal impact (current year and ongoing).

Approval of this budget modification will increase the Health Department's federal/state FY09 budget by \$149,941. Additional funding for this project carries over into the next fiscal year, which is reflected in the Health Department's submitted FY10 budget.

4. Explain any legal and/or policy issues involved.

This study is an evaluation of the Multnomah County menu labeling policy that went into effect March 12, 2009.

5. Explain any citizen and/or other government participation that has or will take place.

The study includes an intercept survey of customers outside of chain restaurants on public sidewalks. Customers have the right to refuse when asked to participate. In addition, the study will convene a Community Stakeholder Group comprised of representatives from organizations that are involved in nutrition policy, public health nutrition, and the food services industry.

ATTACHMENT A

Budget Modification

If the request is a **Budget Modification**, please answer all of the following in detail:

- **What revenue is being changed and why?**

The Health Department's federal/state revenue budget will increase by \$149,941 in FY09 as a result of the work performed under this award.

- **What budgets are increased/decreased?**

As a result of these changes the Health Department's budget will have the following changes:

- Temporary personnel budget will increase by \$81,096.
- Non-base fringe expense budget will increase by \$17,399.
- Non-base insurance benefits budget will increase by \$14,174.
- Professional Services budget will increase by \$5,320.
- Supplies budget will increase by \$16,106.
- Travel and Training budget will increase by \$2,720.
- Local Travel/Mileage budget will increase by \$1,214.
- Central indirect budget will increase by \$3,161.
- Departmental indirect budget will increase by \$8,751.

- **What do the changes accomplish?**

The goals of the project are to determine the change in average calories, saturated fat, and sodium of restaurant purchases; the change in the percentage of customers who have seen and used nutrition information when making their purchase; the change in menu offerings and nutritional values of menu items; and changes in restaurant environments, such as pricing, signage, or promotion of healthy and unhealthy foods.

Specific objectives of the evaluation study will include:

- A pre-post Point-of-Purchase (PoP) survey conducted at effected food establishments in Multnomah County.
- A pre-post quasi-experimental population-based telephone survey using the Behavioral Risk Factor Surveillance System (BRFSS).
- A pre-post audit of menus from effected restaurants to assess a shift in caloric content and select nutrients of standard items.
- Focus groups and key informant interviews with stakeholders and community members in Multnomah County (especially low-income and minority children and their families) to understand perceptions of and reactions to implementation process, costs, acceptance, and utility.
- A communications strategy to share project outcomes and methods.

- **Do any personnel actions result from this budget modification? Explain.**

No additional FTE will result from this budget modification. Existing FTE will perform services and will be covered by other contracts and grants when this project ends. Additionally, temporary staff will be hired as interviewers for the duration of that phase of the project.

- **How will the county indirect, central finance and human resources and departmental overhead costs be covered?**

The revenue covers these costs.

- **Is the revenue one-time-only in nature? Will the function be ongoing? What plans are in place to identify a sufficient ongoing funding stream?**

The funding is one time only in nature. There will be no need for continued funding once the project has been completed.

- **If a grant, what period does the grant cover?**

The grant covers budget period 11/15/08 – 11/14/09.

- **If a grant, when the grant expires, what are funding plans?**

Grant funds cover the completion of the project. Continued funding will not be needed.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

ATTACHMENT B

BUDGET MODIFICATION: HD - 17

Required Signatures

Elected Official
or Department/
Agency Director:

*Karin Jensen for
William Sharitz*

Date: 04/17/09

Budget Analyst:

Angela Burdine

Date: 04/23/09

Department HR:

Patricia Keller

Date: 04/14/09

Countywide HR:

Elizabeth H. Nunez

Date:

Budget Modification ID: **HD-09-17****EXPENDITURES & REVENUES**

Please show an increase in revenue as a negative value and a decrease as a positive value for consistency with SAP.

Budget/Fiscal Year: 2009

Line No.	Fund Center	Fund Code	Program #	Func. Area	Accounting Unit			Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
					Internal Order	Cost Center	WBS Element						
1	40-16	32315	40035A	30			4CA121-01-1	50210	-	(149,941)	(149,941)		Grant Revenue - RWJF Healthy Eating
2	40-16	32315	40035A	30			4CA121-01-1	60100	-	81,096	81,096		Increase Temporary Personnel
3	40-16	32315	40035A	30			4CA121-01-1	60135	-	17,399	17,399		Increase Temp Fringe
4	40-16	32315	40035A	30			4CA121-01-1	60145	-	14,174	14,174		Increase Temp Insurance
5	40-16	32315	40035A	30			4CA121-01-1	60170	-	5,320	5,320		Increase Professional Services
6	40-16	32315	40035A	30			4CA121-01-1	60240	-	16,106	16,106		Increase Supplies
7	40-16	32315	40035A	30			4CA121-01-1	60260	-	2,720	2,720		Increase Travel and Training
8	40-16	32315	40035A	30			4CA121-01-1	60270	-	1,214	1,214		Increase Local Travel/Mileage
9	40-16	32315	40035A	30			4CA121-01-1	60350	-	3,161	3,161		Increase Central Indirect
10	40-16	32315	40035A	30			4CA121-01-1	60355	-	8,751	8,751		Increase Departmental Indirect
11													
12	19	1000	40035A	20		9500001000		50310	-	(3,161)	(3,161)		Indirect reimbursement rev in GF
13	19	1000	40035A	20		9500001000		60470	-	3,161	3,161		CGF Contingency expenditure
14													
15	40-90	1000	40035A	30		409050		50370	(4,612,002)	(4,620,753)	(8,751)		Indirect dept reimbursement rev in GF
16	40-90	1000	40035A	30		409001		60000	336,064	344,815	8,751		Off setting dept expenditure in GF
17													
18	72-10	3500	40035A	20		705210		50316	-	(14,174)	(14,174)		Insurance Revenue
19	72-10	3500	40035A	20		705210		60330	-	14,174	14,174		Offsetting Transaction
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MULTNOMAH COUNTY

AGENDA PLACEMENT REQUEST (Budget Modification)

APPROVED : MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-17 DATE 05/07/09
DEBORAH L. BOGSTAD, BOARD CLERK

Board Clerk Use Only

Meeting Date: 05/07/09
Agenda Item #: R-17
Est. Start Time: 11:12 AM
Date Submitted: 04/22/09

BUDGET MODIFICATION: HD-18

Budget Modification HD-18 Appropriating \$99,999 in Revenue from the Robert Wood Johnson Foundation Substance Abuse Policy Research Program and \$15,000 in Revenue from the State of Oregon, Department of Human Services,
Agenda Title: Evaluation of Smoke Free Multi-Unit Housing

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.

Requested Meeting Date: May 7, 2009 **Amount of Time Needed:** 5 minutes
Department: Health **Division:** Community Health Promotion, Partnerships and Planning
Contact(s): Lester A. Walker, Finance and Budget Manager
Phone: (503) 988-3674 **Ext.** 26457 **I/O Address:** 167/2/210
Presenter(s): Haiou He, Research/Evaluation Supervisor

General Information

1. What action are you requesting from the Board?

Approval of appropriation of \$99,999 in grant funding from the Robert Wood Johnson Foundation Substance Abuse Policy Research Program and \$15,000 in additional funding from the State of Oregon – Department of Human Services – Public Health Services FY2009 Financial Assistance Award: Evaluation of Smoke Free Multi-Unit Housing; to evaluate the impact of smoke-free policies in multi-unit housing.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

In spite of dramatic declines in smoking prevalence and exposure to secondhand smoke (SHS) among American adults since the 1960's, people of lower socioeconomic status (SES) continue to have high smoking prevalence and greater exposure to SHS in the home. A substantial proportion of the low SES population lives in rented multiunit housing, much of it subsidized through government

housing programs. Clean indoor air policies are not yet common in multiunit housing, but considering the high smoking prevalence and SHS exposure burden of the low SES population, these policies make sense for these environments. In Oregon, about one third of renters in a general sample of multiunit housing complexes reported home SHS exposure within the prior week, compared to about one fifth of low SES adults in the general population in the prior 30 days.

Owners of multiunit housing can be reluctant to implement smoke-free policies because of concerns over loss of revenue, tenant noncompliance, and potential accusations of discrimination against smokers. Although public health advocates point out the many economic advantages of smoke-free policies, little empirical data are available on pre- and post-policy occupancy rates, insurance costs, and turnover (cleaning and repair) costs. Data are also lacking on the extent to which smoke-free policies are accepted by smokers and nonsmokers. It is also important to address the concerns of some housing advocates that eviction of low SES tenants due to noncompliance with smoke-free policies could lead to homelessness. Finally, we are unaware of any published data on the associations between subsidized multiunit smoke-free policies and cessation-related behavior among smokers. Information suggesting that these policies might help low SES smokers quit would be useful to tobacco control programs trying to reach this high prevalence population.

Within the past two years, the Multnomah County Health Department (MCHD) and the Oregon chapter of the American Lung Association (ALAO) have been successfully working with multiunit housing owners to go smoke-free. Guardian Management LLC, a large property management company with properties in Oregon, recently agreed to establish a smoke-free policy in all its units. The policy was implemented for all new tenants beginning in September 2007, and for continuing tenants upon lease renewal. When fully implemented, Guardian's smoke-free policy will not exclude smokers from renting, but will prohibit smoking in all apartments, common spaces, and grounds.

Program Design and Evaluation Services (PDES) was awarded a grant for \$55,000 through the Oregon Tobacco Prevention and Education Program (TPEP) to conduct Phase I of an evaluation on smoke-free housing policies, which includes a baseline survey and interviews with smokers who move out of Guardian managed properties. This grant revenue from the Robert Wood Johnson Foundation and the State of Oregon Department of Human Services will fund Phase II of this evaluation study.

The main purpose of Phase II is to examine the economic and health impact of Guardian's smoke-free policy. The specific aims are to: 1) Describe adherence to and acceptance of smoke-free policies by smokers, and attitudes toward the policy and exposure to SHS among nonsmokers in subsidized multiunit housing; 2) Describe associations between the presence of the smoke-free policy and changes in smoking-related behavior among smokers in subsidized multiunit housing; 3) Assess the economic effects of the smoke-free policy in terms of occupancy rates, and turnover and insurance costs; and 4) Describe the methods used by ALAO and MCHD to encourage property management companies (including Guardian) to implement multiunit smoke-free housing policies.

This increase in funding affects Program Offer 40035A – Health Planning and Evaluation. This action supports the Health Department's evaluation efforts aimed at examining the effectiveness of programs and initiatives, and identifying opportunities for community health improvement.

3. Explain the fiscal impact (current year and ongoing).

Approval of this budget modification will increase the Health Department's federal/state FY09 budget by a total of \$114,999. Additional funding for this project carries over into the next fiscal year, which is reflected in the Health Department's submitted FY10 budget.

4. Explain any legal and/or policy issues involved.

This project is to evaluate a policy (Smoke-free Policy in Subsidized Multi-Unit Housing), its implementation and impact.

5. Explain any citizen and/or other government participation that has or will take place.

Guardian central management and the managers of Guardian's 11 apartment buildings have and will continue to participate in this evaluation project. This project also involves the tenants of the Guardian's apartments.

ATTACHMENT A

Budget Modification

If the request is a Budget Modification, please answer all of the following in detail:

- **What revenue is being changed and why?**

The Health Department's federal/state revenue budget will increase by \$114,999 in FY09 as a result of the work performed under these awards.

- **What budgets are increased/decreased?**

As a result of these changes the Health Department's budget will have the following changes:

- Temporary personnel budget will increase by \$26,120.
- Non-base fringe expense budget will increase by \$6,740.
- Non-base insurance benefits budget will increase by \$4,574.
- Pass-Thru & Program Support budget will increase by \$27,500.
- Professional Services budget will increase by \$16,530.
- Supplies budget will increase by \$19,508.
- Travel and Training budget will increase by \$4,080.
- Local Travel/Mileage budget will increase by \$812.
- Central indirect budget will increase by \$2,424.
- Departmental indirect budget will increase by \$6,711.

- **What do the changes accomplish?**

The main purpose of these grants is to examine the economic and health impact of Guardian's smoke-free policy. The specific aims are:

- To evaluate the attitudes of the building managers toward the smoke free policy, and describe their experience in policy implementation.
- To evaluate reasons for departure and subsequent housing stability among tenants who leave Guardian apartments, either voluntarily or through eviction.
- To evaluate the knowledge, attitudes and behaviors regarding smoke free policy among both smoking and nonsmoking tenants of lower socioeconomic status who remain in Guardian apartments.

- **Do any personnel actions result from this budget modification? Explain.**

No additional FTE will result from this budget modification. Existing FTE will perform services and will be covered by other contracts and grants when this project ends.

- **How will the county indirect, central finance and human resources and departmental overhead costs be covered?**

The revenue covers these costs.

- **Is the revenue one-time-only in nature? Will the function be ongoing? What plans are in place to identify a sufficient ongoing funding stream?**

The funding is one time only in nature. There will be no need for continued funding once the

project has been completed.

- **If a grant, what period does the grant cover?**

The grant covers budget period 08/01/08 – 10/31/09.

- **If a grant, when the grant expires, what are funding plans?**

Grant funds cover the completion of the project. Continued funding will not be needed.

<p><i>NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.</i></p>

ATTACHMENT B

BUDGET MODIFICATION: HD – 18

Required Signatures

**Elected Official
or Department/
Agency Director:**

*Karin Jensen for
William Sharitz*

Date: 04/17/09

Budget Analyst:

Angela Burdine

Date: 04/23/09

Department HR:

Jessica Hellerbe

Date: 04/14/09

Countywide HR:

Elizabeth H. Nunes

Date:

Budget Modification ID: **HD-09-18****EXPENDITURES & REVENUES**

Please show an increase in revenue as a negative value and a decrease as a positive value for consistency with SAP.

Budget/Fiscal Year: 2009

Line No.	Fund Center	Fund Code	Program #	Func. Area	Accounting Unit			Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
					Internal Order	Cost Center	WBS Element						
1	40-16	32311	40035A	30			4CA120-01-1	50210	-	(99,999)	(99,999)		Grant Revenue - RWJF Smoke Free
2	40-16	32311	40035A	30			4CA120-01-1	60100	-	20,333	20,333		Increase Temporary Personnel
3	40-16	32311	40035A	30			4CA120-01-1	60135	-	5,891	5,891		Increase Temp Fringe
4	40-16	32311	40035A	30			4CA120-01-1	60145	-	4,119	4,119		Increase Temp Insurance
5	40-16	32311	40035A	30			4CA120-01-1	60160	-	27,500	27,500		Increase Pass-Thru & Pgm Support
6	40-16	32311	40035A	30			4CA120-01-1	60170	-	15,030	15,030		Increase Professional Services
7	40-16	32311	40035A	30			4CA120-01-1	60240	-	14,508	14,508		Increase Supplies
8	40-16	32311	40035A	30			4CA120-01-1	60260	-	4,080	4,080		Increase Travel and Training
9	40-16	32311	40035A	30			4CA120-01-1	60270	-	594	594		Increase Local Travel/Mileage
10	40-16	32311	40035A	30			4CA120-01-1	60350	-	2,108	2,108		Increase Central Indirect
11	40-16	32311	40035A	30			4CA120-01-1	60355	-	5,836	5,836		Increase Departmental Indirect
12													
13	40-16	32287	40035A	30			4SA79-1	50190	-	(15,000)	(15,000)		Grant Revenue - LPHA Smoke Free
14	40-16	32287	40035A	30			4SA79-1	60100	-	5,787	5,787		Increase Temporary Personnel
15	40-16	32287	40035A	30			4SA79-1	60135	-	849	849		Increase Temp Fringe
16	40-16	32287	40035A	30			4SA79-1	60145	-	455	455		Increase Temp Insurance
17	40-16	32287	40035A	30			4SA79-1	60170	-	1,500	1,500		Increase Professional Services
18	40-16	32287	40035A	30			4SA79-1	60240	-	5,000	5,000		Increase Supplies
19	40-16	32287	40035A	30			4SA79-1	60270	-	218	218		Increase Local Travel/Mileage
20	40-16	32287	40035A	30			4SA79-1	60350	-	316	316		Increase Central Indirect
21	40-16	32287	40035A	30			4SA79-1	60355	-	875	875		Increase Departmental Indirect
22													
23													
24	19	1000	40035A	20		9500001000		50310	-	(2,424)	(2,424)		Indirect reimbursement rev in GF
25	19	1000	40035A	20		9500001000		60470	-	2,424	2,424		CGF Contingency expenditure
26													
27	40-90	1000	40035A	30		409050		50370	(4,612,002)	(4,618,713)	(6,711)		Indirect dept reimbursement rev in GF
28	40-90	1000	40035A	30		409001		60000	336,064	342,775	6,711		Off setting dept expenditure in GF
29													
											0	0	Total - Page 1
											0	0	GRAND TOTAL



MULTNOMAH COUNTY

AGENDA PLACEMENT REQUEST (short form)

Board Clerk Use Only

Meeting Date: 05/07/09
Agenda Item #: R-18
Est. Start Time: 11:15 AM
Date Submitted: 03/23/09

Agenda Title: Health Equity Initiative: Year 1 Update

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.

Requested Meeting Date: May 7, 2009 **Amount of Time Needed:** 45 mins
Department: Health **Division:** Community Health Services
Contact(s): Tricia Tillman
Phone: 503.988.3663 **Ext.** 29087 **I/O Address:** 401/1
Tricia Tillman and Sonali Balajee (HEI staff), Urban League (tentative), Regence Blue Cross/Blue Shield (tentative), Oregon Health Action Campaign (tentative);
Presenter(s): Countywide Coordinating Team members (TBD)

General Information

1. What action are you requesting from the Board?

Input on recommendations for next steps for the Health Equity Initiative.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

Program Offer 40045 A and B

This update describes the initial year of the Health Equity Initiative beginning with an overview of the goals, social determinants of health, the community involvement process, and recommendations for public policy and organizational development. The update will include the perspectives of community partners and members of the Countywide Coordinating Team, as well as a discussion of next steps for the Initiative.

3. Explain the fiscal impact (current year and ongoing).

No current impact beyond funds already allocated. Implementation of recommendations by the Countywide Coordinating Team would require funding program offers 40045 A and B.

4. Explain any legal and/or policy issues involved.

None specific to this update; however current policy priorities include legislation related to the Oregon Health Fund Board, and recommendations for policy specific to Multnomah County organizational commitment to equity.

5. Explain any citizen and/or other government participation that has or will take place.

Citizen participation has been central to the Health Equity Initiative through initial community dialogues on the social determinants of health and policy priority identification; Community participation will continue through policy advocacy training and coordination with community partner organizations.

Required Signature

**Elected Official or
Department/
Agency Director:**

Lillian Shirley

Date: 03/23/09



Ted Wheeler, Multnomah County Chair

501 SE Hawthorne Blvd., Suite 600
Portland, Oregon 97214
Phone: (503) 988-3308
Email: mult.chair@co.multnomah.or.us

To: Multnomah County Employees

Fr: Ted Wheeler, Multnomah County Chair

Re: Health Equity Initiative Training Series: "*Unnatural Causes*" Screenings and Dialogues

Dt: April 24, 2009

Please join me and the Board of County Commissioners at this year's Health Equity Initiative (HEI) Training Series: "*Unnatural Causes*" Screenings and Dialogues. Multnomah County, under the guidance of the Health Department's Health Equity Initiative, continues to partner with communities nationwide in exploring the root causes of health inequity. Differences in opportunities (inequity) lead to differences in outcomes (disparities). African American, Latino, American Indians, Asian and other ethnic communities have experienced historical inequities in education, jobs, housing, land use, and within our health care systems, that have translated into persistent health disparities.

Multnomah County serves many people who are affected by health disparities and your leadership and skills as a county employee can help to address those disparities at your worksite and in your professional and personal communities. We cannot ignore the human suffering and financial costs of health disparities for individuals, families and our entire community. As an example of the economic impact of health disparities, the state of Colorado calculated that it would have saved more than \$33,000,000 from 1999-2002 if disparities were eliminated (source: APHA Issue Brief, Nov. 2008).

Six distinct episodes of the award-winning documentary *Unnatural Causes* will be presented in May and June of this year. After each screening, a facilitated dialogue will follow that will focus on related policy issues and local initiatives important to our communities. Participation in the training will increase your ability to advocate for practice improvements and policy changes that promote the health of the individuals and families you serve.

A training announcement will come out shortly and you will be able to register for these trainings as you would any other countywide training. You are not expected to attend *every* training session, but I encourage you to attend as many as you can for your professional development. Please discuss your participation with your manager/supervisor.

For more information about *Unnatural Causes* and the county's Health Equity Initiative, please visit the Health Equity Initiative web site at www.mchealth.org/healthequity.

The Health Equity Initiative addresses the core values and core responsibilities of the County, and I hope you will be a part of this effort.

BOGSTAD Deborah L

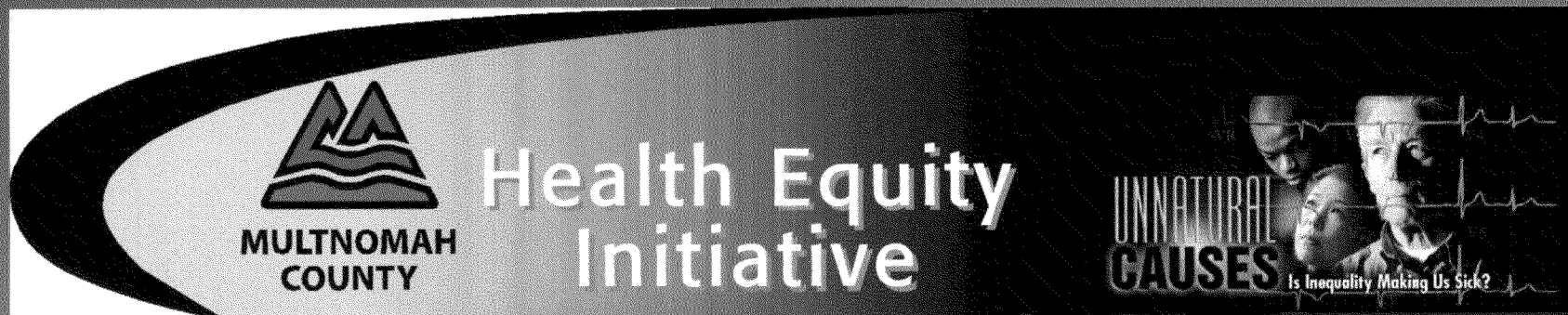
From: BOGSTAD Deborah L
Sent: Thursday, May 07, 2009 8:20 AM
To: BOGSTAD Deborah L
Subject: YouTube link

Here is the link for R-18:

<http://www.youtube.com/watch?v=zLTJ30Hc840>

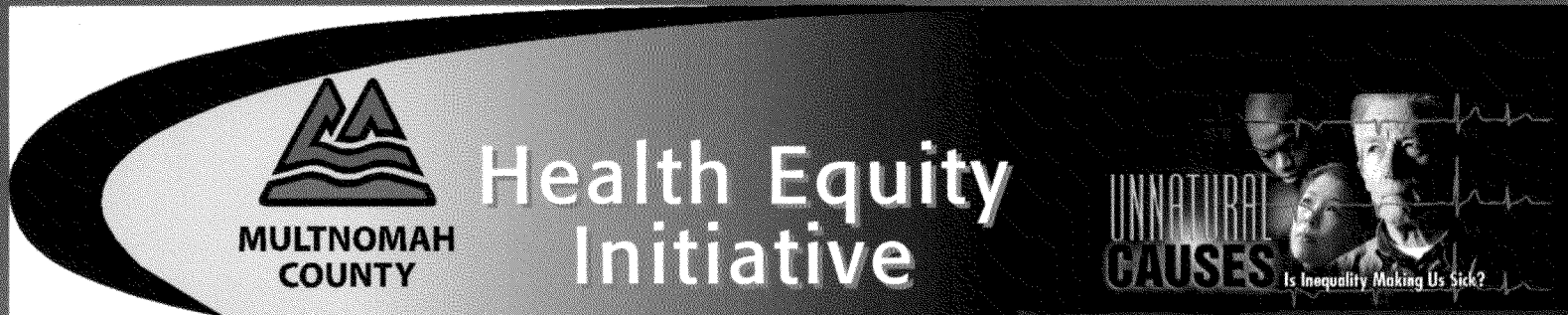
**Deb Bogstad, Board Clerk
Multnomah County Commissioners
501 SE Hawthorne Boulevard, Suite 600
Portland, Oregon 97214-3587
☎(503) 988-3277**





Multnomah County Board Briefing

May 7, 2009



Goals of today's briefing are to:

- ◆ Provide an update on the first year of the Initiative
- ◆ Share community experience of the Initiative
- ◆ Explore next steps

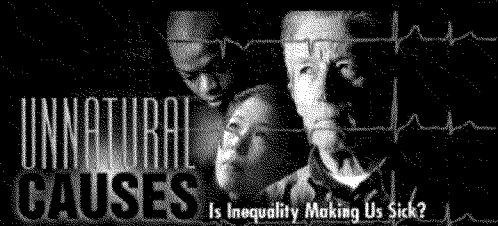
2008 MCHD Report Card on Racial and Ethnic Health Disparities

**Requires
intervention** These
indicators show
statistically significant
differences between the
group of color and the
White non-Hispanic
population with rate
ratios greater than 2.0.

- Hispanic mothers with no prenatal care in the first trimester of pregnancy
- Births to Hispanic and African American teen mothers
- African American diabetes mortality
- Native American HIV mortality
- African American and Hispanic sexual health
- African American and Hispanic homicide



Health Equity Initiative



Goals

- ◆ Goal 1: Create a shared understanding of health disparities with a focus on justice and equity
- ◆ Goal 2: Raise the visibility of current disparities elimination efforts
- ◆ Goal 3: Explore and advance policy solutions to health inequities

Community Engagement

- ◆ 57 screenings of episodes of ***Unnatural Causes: Is Inequality Making Us Sick?***
- ◆ Community locations: Gresham Library, Central Library, Midland Library, PCC Cascade, Northwest Library, and New Columbia
- ◆ County employee locations: East County Health Center, Northeast Health Center, McCoy Building, Multnomah Building
- ◆ Viewers were asked:
 - What did you see? or What caught your attention?
 - What were the problems/ causes?
 - How do these problems affect our community?
 - How can we work together to solve these problems?

Community Engagement

- ◆ More participants lived in District 2
- ◆ Average age range - 45-54 years.
- ◆ African Americans (42 percent) and Whites (34 percent) - majority of community participants.
- ◆ Most community participants earned less than \$25,000. The second largest income group - more than \$80,000.

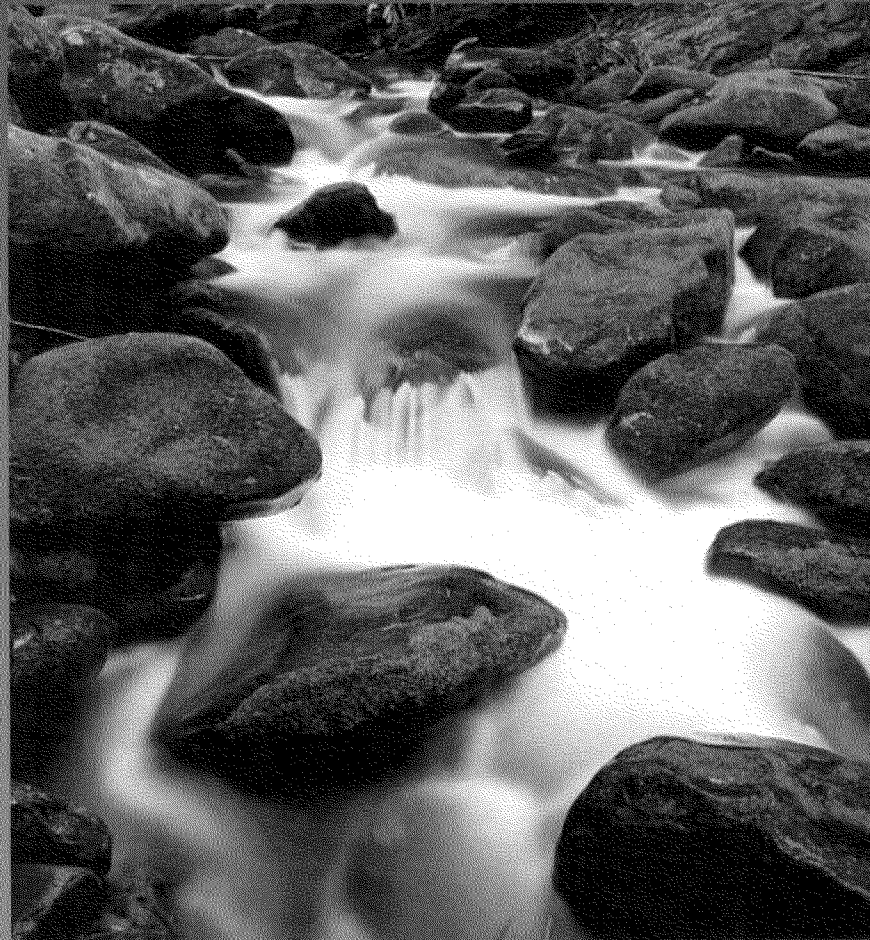
How Can We Promote Health Equity?

- ◆ Organizational development for Multnomah County
- ◆ Public Policy
- ◆ Community Empowerment

Promote Health Equity through Organizational Development

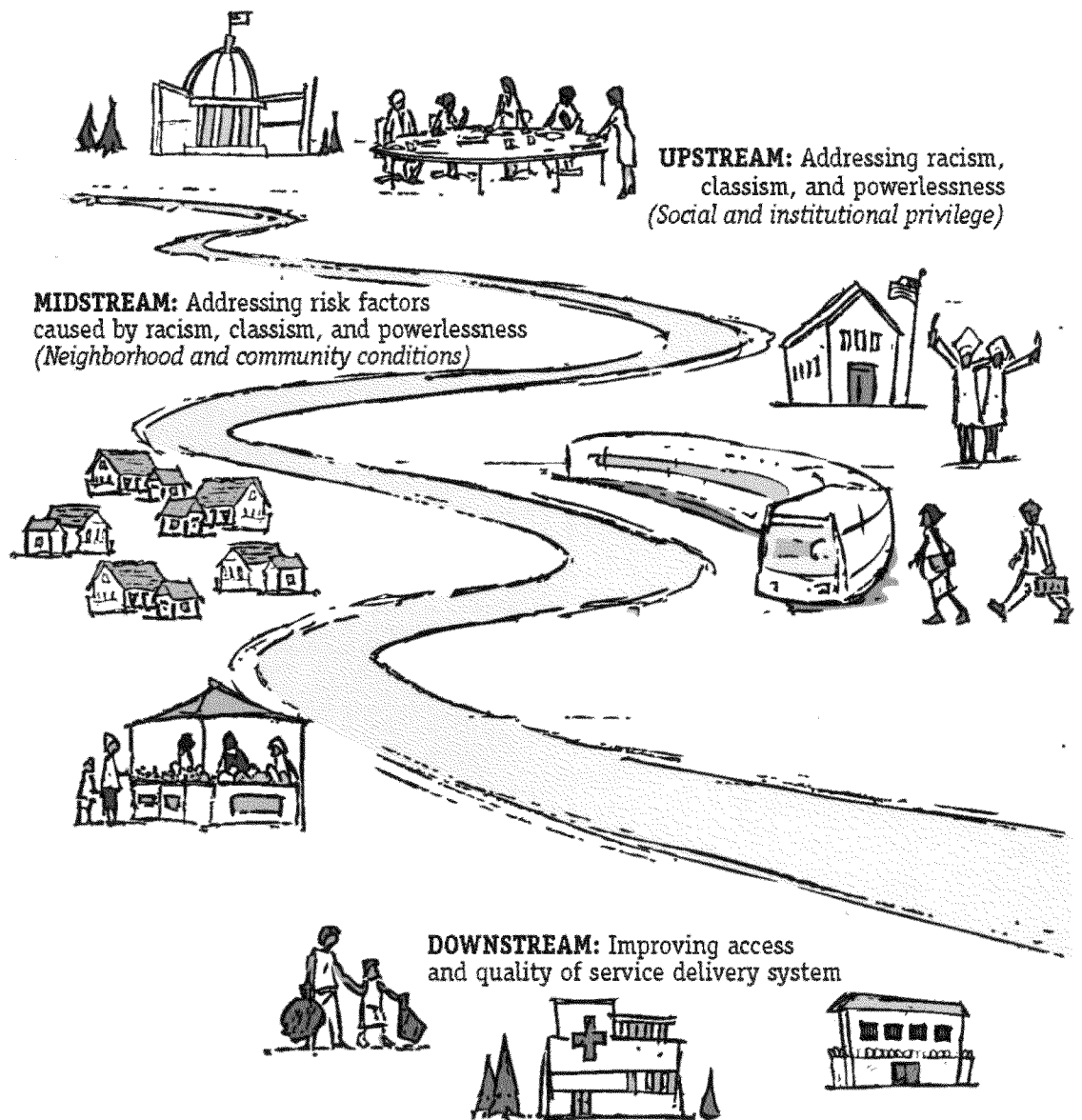
- ◆ Countywide equity inventory
- ◆ Undoing institutional racism training
- ◆ Equity tool and review process
- ◆ Implement and monitor strategies to promote equity

Promote Health Equity through Public Policy



Promote Health Equity through Public Policy

HEALTH EQUITY FRAMEWORK



Promote Health Equity through Public Policy

- ◆ **Universal access to health care, mental health and prevention**
- ◆ **Promote walking, biking, and public transportation**
- ◆ **Require employers to provide “livable” wages**
- ◆ **Expand access to affordable fresh fruits and vegetables**
- ◆ **Schools and job training programs should teach home buying, financial literacy, civic engagement and policy advocacy**
- ◆ **Increase poverty thresholds to increase eligibility for services so that working poor keep benefits**

Promote Health Equity through Community Empowerment

Community partners have included:

- ◆ Urban League of Portland
 - ◆ Coalition for a Livable Future
 - ◆ Oregon Action
 - ◆ Asian Pacific American Network of Oregon
 - ◆ Center for Intercultural Organizing
 - ◆ Oregon Health Action Campaign
- and others.....

The Health Equities Committee of the Oregon Health Fund Board

- ◆ Ella Booth, Chair
- ◆ Joe Finkbonner,
Co-Vice Chair
- ◆ Tricia Tillman,
Co-Vice Chair
- ◆ Michelle Berlin
- ◆ Ed Blackburn
- ◆ Bruce Bliatout
- ◆ John Duke
- ◆ Scott Ekblad
- ◆ Honora Englander
- ◆ Yves Lefranc
- ◆ Holden Leung
- ◆ Jackie Mercer
- ◆ Maria Michalczyk
- ◆ Melinda Muller
- ◆ Laurie Powers
- ◆ Noelle Wiggins

Oregon Action

2009 Legislative Agenda

- ◆ **HB 2009** – Creates the Oregon Health Authority
- ◆ **HB 2128/SB 453**: Requires evaluation of health disparities
- ◆ **HB 2131/SB 456**: Provides reimbursement for the state's medical assistance program
- ◆ **HB 2142/SB 452**: Develops plans to establish state-wide pool of certified interpreters
- ◆ **HB 2143/ SB 11**: Establishes healthcare workforce database
- ◆ **HB 2132/ SB 451**: Establishes the Oregon POLST Registry Advisory Committee

Health Equity Initiative

Countywide Coordinating Team

- ◆ Countywide equity inventory – cataloging and promoting our current equity efforts
- ◆ Equity tool and review process – developing a lens to promote equity in policy development
- ◆ Undoing institutional racism education – strengthening our foundation for equity

Health Equity Initiative Roles

◆ **Leader: Framing and Initiating**

- Developing and providing Equity Review Tool internally and for external use
- Requests both internal and external to County

◆ **Educator: Facilitating and Educating**

- Unnatural Causes / Equity and Social Justice Trainings
- Supporting community capacity building: Northwest Health Foundation Grant

◆ **Resource: Technical Assistance and Sharing Data**

- Developing and sharing educational modules with County and community
- Liaison and technical resource
- Sharing relevant data and research

◆ **Monitor: Tracking racial and ethnic equity in policy and practice**

- Reviewing past and current policy for health equity language
- Regularly visiting amended policies for effectiveness and equity

Health Equity Initiative Timeline

- ◆ End of June 2009:
 - Equity Inventory completed
- ◆ Summer 2009:
 - Integration into Director's Office
 - Continuing Unnatural Causes / Equity and Social Justice Trainings
 - Coalition of Health Equity Advocacy Partners
 - HEI Policy Guide:
 - ◆ policy development process
 - ◆ policy advocacy training modules
- ◆ Fall 2009
 - Undoing Institutionalized Racism Training and Education
 - Equity Review Tool
 - Key policies (internal and external to County) Board can help lead

“The way we approach health, we are willing to fix problems, but not to prevent them. I’m interested in what we can do to improve our quality of life.”

Community participant
Unnatural Causes Screening
Gresham Library, 3/30/08

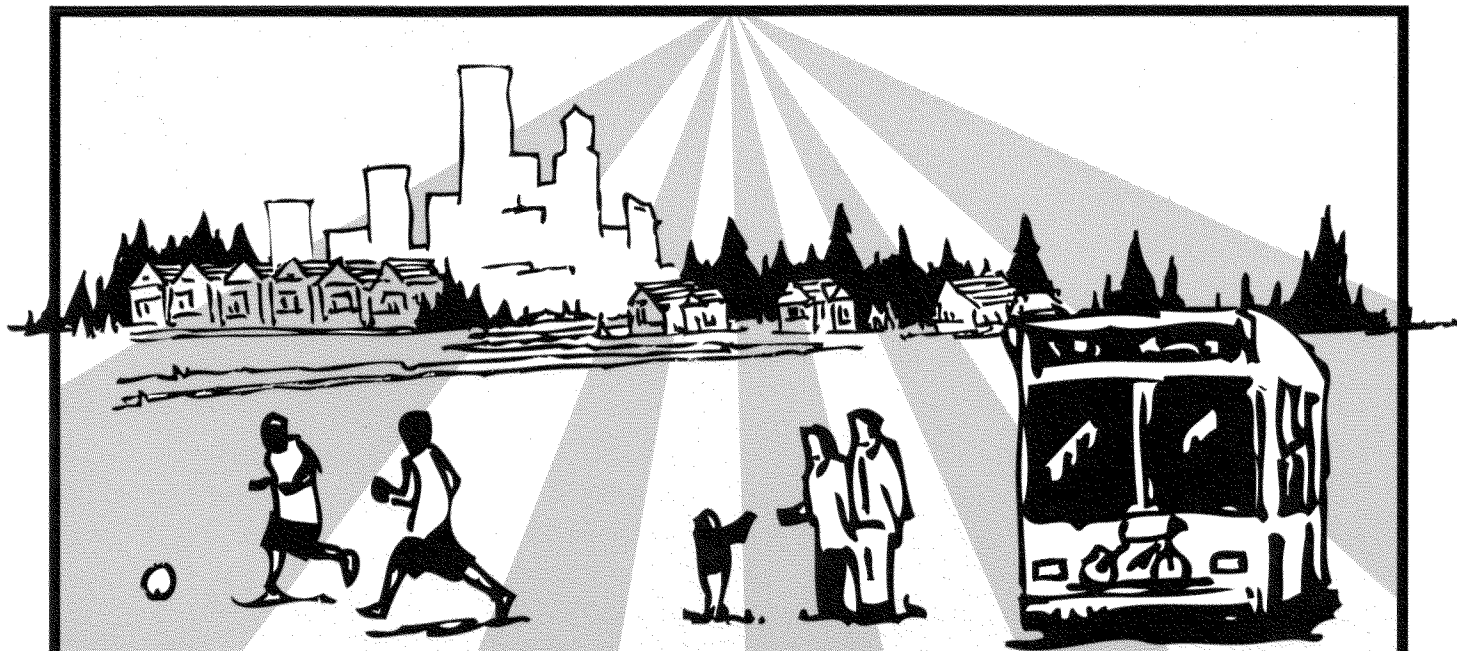
Acknowledgements

◆ Health Equity Initiative Team

Sonali S. Balajee
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Wendy Rankin
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Tricia Tillman
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Hector Roche
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Jill A. Wolf



MULTNOMAH COUNTY HEALTH EQUITY INITIATIVE 2009

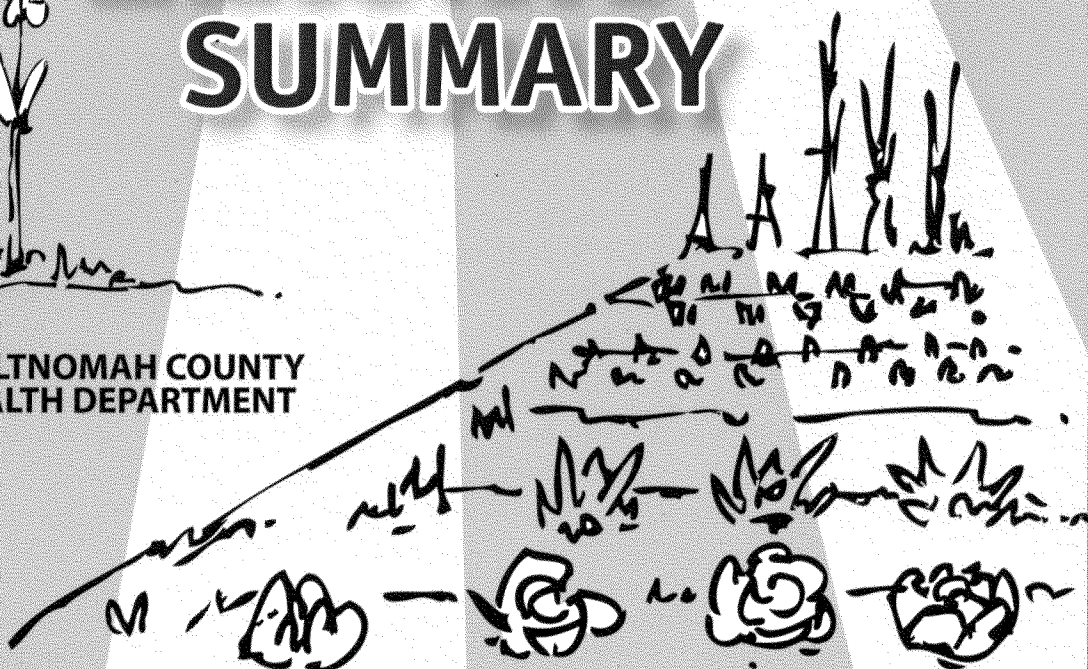
EXECUTIVE SUMMARY



MULTNOMAH COUNTY
HEALTH DEPARTMENT



Public Health
Prevent. Promote. Protect.



INTRODUCTION

This report provides an overview of the Health Equity Initiative's first phase of work since its inception in the fall of 2007; and presents policy recommendations based on (1) dialogues with communities, (2) key informant interviews with County staff, community partners, advocates and national policy experts, and (3) literature review of health policy research.

INTRODUCTION

In April 2007, Multnomah County Chair Ted Wheeler stated, "During my administration, Multnomah County will work to eliminate disparities based on race and ethnicity that exist in our community, and we will challenge other community institutions to work with us to make this happen." In June of 2007 Chair Wheeler and the Multnomah County Health Department funded the Health Equity Initiative (HEI), a countywide effort focusing on addressing the root causes of social and racial injustices that lead to health disparities.

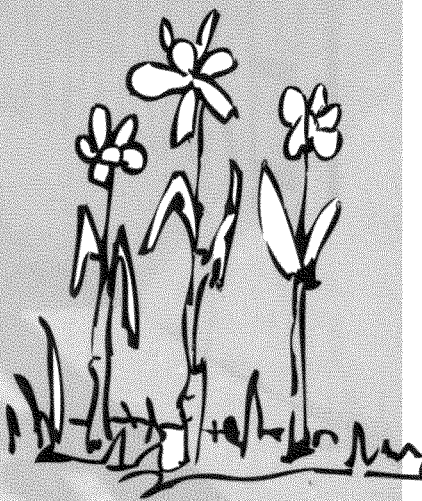
The Initiative supports the County's commitment to improving the health of all Multnomah County residents by considering the ways that societal conditions in which we live, learn, work and play affect health.

TO DATE, HEI HAS THREE GOALS:

1. Create a common understanding of the root causes of racial and ethnic health disparities and their possible solutions, with a focus on social justice and equity.
2. Raise the visibility of current disparity elimination efforts of community-based organizations and county departments.
3. Explore and advance policy solutions to address health inequities.

The Multnomah County Health Department 2008 Report Card on Racial and Ethnic Health Disparities describes 17 health indicators examined for African American, Hispanic, Native American, and Asian Multnomah County residents. Six of the 28 health disparities that existed in the 1991-95 period had been eliminated by 2001-05. An additional 14 disparities had been reduced.

However, several disparities were identified that require intervention. For example, the rate of new cases of gonorrhea infections among African American residents was 6.5 times the rate of White non-Hispanics in the county. The Native American HIV disease mortality rate was more than three times higher than the rate for White non-Hispanics.



HEALTH INEQUITIES

Another area of concern is the rate of births to teenage mothers in communities of color. In the 2001-05 period among Hispanics the percent of live births to teen mothers was more than 6 times higher than for White non-Hispanic teens. For African American residents the teen birth rate was more than 2.5 times the rate for White non-Hispanics. The 2008 data showed that the homicide death rate was more than six times higher among African Americans as compared with White non-Hispanics in Multnomah County.

HEALTH EQUITY FRAMEWORK

Though health care and services are important, solutions to racial, ethnic, and income inequities at the root of health disparities should be focused further upstream on the policies affecting the social determinants of health. In developing strategies to address health disparities, it is important to recognize that at its heart, promoting equity is not simply providing more services. It is also about how those services are developed, prioritized and delivered. What is needed to fundamentally address health disparities is a broad-based coordinated effort among many partners acting to address root causes. The root causes of health disparities are broadly based in inequities in many aspects of life, including social and economic policies.

Solutions should emphasize consideration of the social determinants of health, including economic, social, environmental, and political forces that can either promote or compromise the health of populations, especially of the historically disadvantaged, including people of color, women, the disabled, sexual minorities and the poor. A commitment to social and economic equity must lie at the heart of efforts to eliminate health disparities.

Policy solutions should target root causes of racial and ethnic disparities and be developed with members of the communities most impacted by inequities. A first step to address racial and economic injustices, is for government and the community to recognize and dismantle intentional and de facto policies and practices that maintain privilege among historically advantaged groups, such as Whites, males, and the wealthy.

In communities across the nation, tools are being developed to guide policy development by examining who is burdened and who benefits from policy and in this way truly assess and remediate the effect that policies have on the most burdened in our society. These tools when used with integrity and not as pro forma checklists can be considered an "equity lens" for examining social and economic policies. As an "equity lens" is applied more consistently across multiple sectors, public policy will be enriched by the consideration of its impact on the most vulnerable. This approach, when applied to social determinants of health, such as education, transportation, housing, community safety and other policy arenas, will lead to

"We saw that there was health inequity, and I found two main things cause it. First, are social factors that can be controlled.

The second is the power to control them...We make choices, but within limits we are given.

Society determines what you eat, where you live, and what kind of education we can pursue.

The problem is that policy needs to change. the people who make policy need to make changes."

– Participant at Gresham Library, 3/2/08

HEALTH INEQUITIES

long-term improvements in 8 communities historically burdened by poorer health. HEI will use this framework to assess current efforts and advance policies and organizational development strategies.

DISCUSSING SOCIAL DETERMINANTS OF HEALTH WITH COMMUNITY

In order to raise awareness of the root causes of health inequities, the Health Equity Initiative screened a seven-episode documentary series on social determinants of health for Multnomah County residents and county employees at ten sites throughout the county. The series, *Unnatural Causes: Is Inequality Making Us Sick?* was produced by California Newsreel and also aired on national TV. The goals of the screenings were to (1) increase awareness of the underlying or root causes of health inequities; (2) generate discussion about the problems and causes of health inequities in Multnomah County; and (3) identify potential solutions to health inequities in Multnomah County.

THE SCREENING EVENTS CONSISTED OF:

- Fifty-seven screenings throughout Multnomah County between March 2 and May 17, 2008 (29 screenings for community members and 28 screenings for county employees).
- Participation by more than 500 viewers.
- Approximately one third of the participants were people of color.

HEI POLICY RESEARCH CONSISTED OF INFORMATION GATHERING AND INTERVIEWS WITH:

- Multnomah County staff from various departments
- Local community partners and advocates
- National experts in health equity policy
- Local and national reports and research papers

RE-ENGAGING COMMUNITY AND COMMUNITY-INFORMED PRIORITIES

HEI returned to the sites where *Unnatural Causes* initially was screened to find out the policy priorities of the community. Attendees prioritized a list of policy recommendations compiled from community recommendations at the initial screenings and policy research findings. The combined list of proposals consisted of 140 recommendations, organized into seven themes consistent with the social determinants of health.

RECOMMENDATIONS

From this research many potential policies were identified. Additionally, three themes emerged: (1) there is no single “magic bullet” policy or short list of policies that will eliminate the inequities that result in health disparities, solutions need to come from the coordinated effort of policy makers, bureaucrats and community members, (2) local efforts at eliminating inequities should be driven by local data on existing health disparities, and (3) local governments should look at their own policies that perpetuate inequities.

POLICY PRIORITIES AND RECOMMENDATIONS

HEI’s policy priorities integrate community input and priorities, best practice research in health equity policy, and an analysis of current momentum in health equity areas. Priorities focus on addressing mid- and upstream causes of racial and ethnic health disparities. The team is currently developing a transparent health equity policy development process and an evidence-based list of key policy improvements to tackle. The following list highlights a few of HEI’s current areas of focus:

Improving living and working conditions, and strengthening community:

- Improve access to health care and social services (building capacity for health policy advocacy in partnership with communities of color, health providers, and interested community organizations)
- Connect transportation, land use and environmental practice to health equity in practice (collaborating with the Coalition for a Livable Future on building a health equity policy agenda across public and private sectors)

Strengthening healthy and sound macro-policies:

- Improve racial and cultural competence of County management (Undoing Institutionalized Racism program and Equity and Justice trainings)
- Integrate equity review into County practice (developing and implementing an equity review tool)

HEALTH EQUITY INITIATIVE RECOMMENDATIONS

We recognize that while extensive local work is currently occurring -- both inside and outside County government -- to address health and social inequities, additional effort is needed and no single additional policy or program will effectively eliminate these inequities. Indeed, there is currently no set of identified “Best Practices” nationally to eliminate health and social inequities.

Through this Initiative’s work, it has become evident that all levels of government need to pay close attention to the impact that their policy decisions -- whether it is the location of a new housing development or a tax -- might have on reducing or exacerbating health and social inequities. To promote equity in our community, we recommend that Multnomah County leadership weave an equity perspective into the fabric of policy and funding decisions by adopting two initial policies:

Continued on Page 6

HEALTH EQUITY INITIATIVE RECOMMENDATIONS

CONT'D

1. Adopt an equity policy package to ensure that promoting equity is part of Multnomah County government's decision making. Specific actions include:

EQUITY INVENTORY

Mandate a countywide equity inventory to identify actions across county departments to address equity issues, understanding that not all equity actions will be directly related to health.

EQUITY, SOCIAL JUSTICE, AND UNDOING INSTITUTIONAL RACISM TRAINING

Require Multnomah County managers to participate in training for undoing institutional racism. This training will build on existing diversity and interpersonal communication trainings currently being offered, and will add skills and tools for identifying and dismantling policies that maintain inequity.

EQUITY IMPACT REVIEW TOOL

Mandate development and utilization of a tool and process for Multnomah County managers and policy makers to ensure promoting equity is part of policy development and practice improvement. Develop policy to require use of the tool in specific situations, and encourage its use in general. Seattle and King County Washington have developed tools that could serve as models for Multnomah County. These tools provide simple, step-by-step processes for departments to use as an equity lens in reviewing policies, programs, or projects, revealing who benefits and, who carries the burden, and how inadvertent inequities can be ameliorated.

2. Adopt a policy that requires each County department to identify two strategic activities to promote equity between FY 2010 and 2014, and annually evaluate progress. These new Multnomah County department activities -- whether policy or practice changes -- could build on or expand current work within the departments and should ideally involve collaboration with community partners.

NEXT STEPS

The Health Equity Initiative (HEI) will continue to refine and advance both specific and organizational policy options. Strategies for the next phase of the initiative include:

- Promoting current government and community efforts to advance equity policies.
- Coordinating HEI proposed policies with respect to the policy agendas of other community and governmental entities.
- Working in cooperation with community-based advocacy and empowerment organizations to support existing policy advocacy work.
- Identifying partners (community organizations and other local jurisdictions) who can implement policies outside the purview of Multnomah County government.
- Investing in policy advocacy training for community members and county employees who wish to become more engaged in advancing health equity in our community.
- Implementing and evaluating additional policies prioritized by community members, Multnomah County Board Commissioners.

"It is my belief that part of the problem, when you say political solutions are inadequate, is that people designing the solutions don't understand the problems like the people experiencing the problem."

– Participant at Central Library, 3/31/08

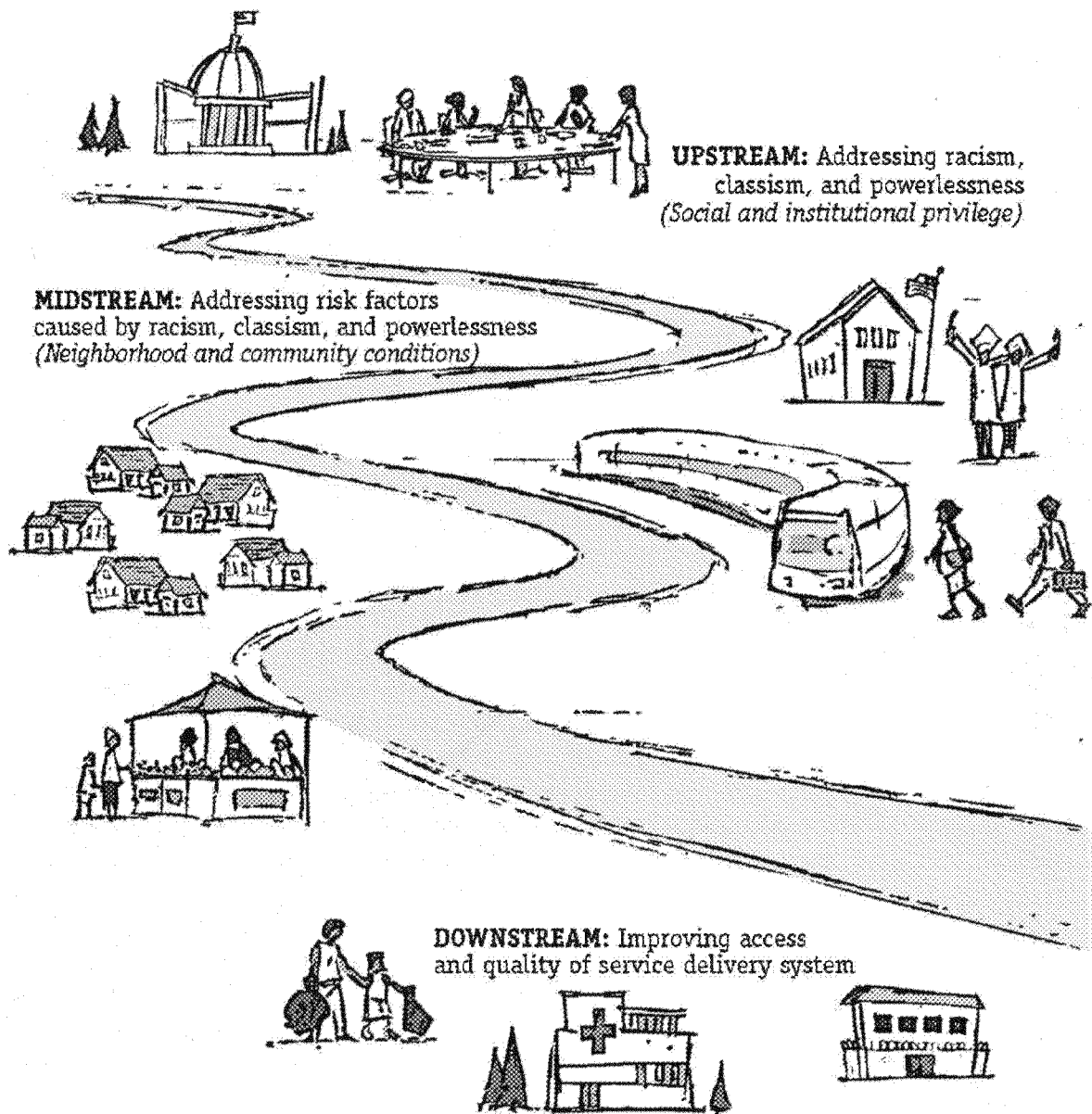
CONCLUSION

Multnomah County should be a leader in promoting a common language and understanding throughout local governments and the community of the social and economic inequities that are the root causes of health disparities. In partnership with the community we serve, the County must pursue policies that prevent and redress the social inequities that underlay health disparities. Multnomah County needs to develop, use and promote an equity lens in decision making to assure that new programs, projects and policies do not create or perpetuate social or economic inequities in the community.





HEALTH EQUITY FRAMEWORK



UPSTREAM: Addressing Racism, Classism, and Powerlessness (Social and institutional privilege)

Examples of policies and actions to strengthen upstream policy may include:

- Chair ensures culturally responsive workforce
- Chair advocates/personally lobbies for policies such as immigration reform
- Board of County Commissioners supports undoing institutional racism through training
- Board of County Commissioners creates career pipeline for racial and ethnic minorities in public service for Multnomah County
- Board of County Commissioners evaluates current County policies and practices for discrimination and institutional racism
- Board of County Commissioners pursues community-informed policy by supporting/allocating resources for community-based policy and advocacy leadership development
- Board of County Commissioners mandates diverse representation on policy advisory committees
- Board of County Commissioners enacts or advocates for economic development, workforce development and equitable education policies

MIDSTREAM: Addressing Risk Factors Caused by Racism, Classism, and Powerlessness (Neighborhood and community conditions)

Examples of policies and actions to improve the social determinants of health:

- Board of County Commissioners enacts or advocates for place-based strategies focused on social determinants of health equity in neighborhoods where people of color and low-income individuals live to:
 1. Promote economic security and wealth development
 2. Foster affordable low-income housing and home ownership
 3. Ensure access to healthy, affordable food
 4. Create and maintain safe, accessible opportunities for physical activity
 5. Prioritize educational attainment and equitable school environments
 6. Limit marketing of products and services that promote unhealthy choices

DOWNSTREAM: Improving Access and Quality in Service Delivery System

Examples of policies and actions to strengthen and improve individual behaviors and care:

- Board of County Commissioners advocates for increased access to health and human services for all as a human right
- Board of County Commissioners allocates resources targeted at addressing racial and ethnic disparities in Health & Human Services
- Multnomah County provides culturally competent services
- Multnomah County ensures equity in quality of all services
- Multnomah County monitors equity in quality of services through qualitative and quantitative evaluation

BUILDING THE POWER OF LOW-INCOME PEOPLE & PEOPLE OF COLOR

Other Health Care Related Legislation:

H.B. 3141: Obesity Prevention – Secure and increase state funding levels for physical education grants program. Work with public health advocates to ensure passage of statewide nutritional labeling bill that includes, at minimum, calorie labeling at the point of purchase, and to ensure that existing local regulations are not pre-empted by weaker state legislation. Support coalition members' efforts to establish a farm-to-schools program to provide fresh fruits and vegetables to public schools cafeterias.

HB 2726: Menu labeling bill will increase consumer awareness of the caloric intake of meals eaten in restaurants with 10 or more locations. A common sense approach to helping consumers become more conscience of the food they eat.

-Chain of Survival – Automated External Defibrillators – Support local efforts to place AEDs in schools. Monitor and explore options and political opportunities for expanding Oregon's "Good Samaritan Law" to remove implementation of training requirements.

Civil Rights:

HB 5022 Supports the creation of a Civil Rights Division in the Attorney General's office to protect our civil rights and civil liberties.

HB 2352 Requires preparation of racial & ethnic impact statement when legislation or state measure may affect racial composition of criminal offender population and when State Board of parole and Post-Prison Supervision consider rules pertaining to parole or post-prison supervision.

Consumer Protection:

SB 328: Strengthens protections for consumers against predatory collection practices. Illegal debt collection complaints have grown 16% in the past year & are expected to continue to climb as the economic situation gets worse. The bill passed the State Senate with bi-partisan support by a vote of 23-6. The bill gives the Attorney General the authority to hold debt collectors accountable when they break the law

Housing:

Strengthen legislation that provides option for mobile home park dwellers first right to purchase mobile home parks that are placed for sale through a community land trust model.

Economic Justice:

HB 2556, HR 4 & SR 1 Keep the Oregon National Guard in Oregon & Stop the 2009 Deployment

Ensure that any economic stimulus plan adopted has written language that ensures low-income people, people of color and youth are guaranteed training & support funds and a percentage of the jobs that are created through this package.

Oregon Action 2009 Legislative Agenda

Health Care:

HB 2009 – Creates the Oregon Health Authority that establishes the process whereby all Oregonians will have affordable quality health care with a choice of a public option, including cost containment measures & the authority to control health care cost. In an effort to ensure the elimination of disparities in health outcomes in communities of color, the Oregon Health Fund Board has submitted amendments to the below listed health care bills.

HB 2128/SB 453: Requires evaluation of health disparities including but not limited to race and ethnicity, and primary language; add (c) information related to race and ethnicity, and primary language collected in a manner consistent with established national standards

HB 2131/SB 456: The Department of Human Services shall provide reimbursement in the state's medical assistance program for services provided by an integrated health home certified under section 1 of this 2009 ACT. This includes reimbursement for interpreter services qualified for federal match under current CMS policy. The department shall require integrated health homes receiving reimbursement to report on quality measures described in section 1(1)(c) of this act. Develop pilots & evaluate strategies that reward enrollees in publicly funded health plans for practicing health behavior, managing chronic diseases & utilization of community health workers

HB 2142/SB 452: duties of the Health Information Technology Oversight Council shall include: developing plans to establish state-wide pool of certified interpreters and other technologies that expand access to medical interpreter services across the state.

HB 2143/ SB 11: The Office of Oregon Health Policy shall create and maintain a healthcare workforce database that will provide information upon request of the legislature and others: demographics, including race & ethnicity; physician & other healthcare professionals practice status & incentives to attract qualified individuals from underrepresented minority groups.

HB 2132/ SB 451: There is established the Oregon POLST Registry Advisory Committee to advise the DHS regarding the implementation, operation and evaluation of the POLST Registry & two-members of the public with one from an underrepresented minority group with an interest in end of life care.



Social Determinants of Health in Multnomah County



The Economy and Health

Summary

Economic factors are among the most powerful determinants of an individual's health.

The availability of job opportunities that pay good wages depends on local economic conditions. Employment and income dictate where a person lives (the quality of the house and the neighborhood), what they can afford to eat, the educational opportunities available to their families and access to other basic requirements.

This report finds that poverty, the high cost of living, the growth in low wage jobs, and the income gap between the rich and the poor have worsened in Multnomah County over the past decade. In addition, the economic recession, characterized by the weakening of almost all industries, has resulted in high unem-

ployment. Based on published research, we know that worsening economic conditions in the past decade have had negative impacts the health of our residents by limiting their ability to access basic life necessities, and through stress and depression.

This report also presents promising policy directions based on economic and public health research. Short term strategies that have the potential to improve economic conditions and health include efforts to expand tax credits for the working poor and to lower barriers to job training for those receiving public assistance. In the long term, reinforcement of pre-school and K-12 education have been identified by economists as critical elements of strategies to improve local economies, and consequently, the health of residents in these communities.

Table 1. Selected economic indicators in Multnomah County

% of all private sector jobs in 2008 that were in retail trade or leisure and hospitality:	23% (approx. 87,400 jobs)
Unemployment rate	10%
% of all 2006 tax returns receiving the Earned Income Tax Credit (eligible families are above the poverty threshold but have low incomes)	14%
Persons living below poverty level (\$20,650/yr for a family of four) in 2007:	
• Adults and children	15.2% (approx. 104,619 individuals)
• Children under 18 years living with related family members	21% (approx. 32,737 children)
Percent of households receiving food stamps in 2007 that were at or above the federal poverty level	40% (approx. 12,757 households)

Introduction to social determinants of health

Health problems are often addressed with either medical treatment or by asking individuals to change their health-related behavior. However, there is mounting evidence indicating that the root causes of poor health go beyond the choices made by an individual.

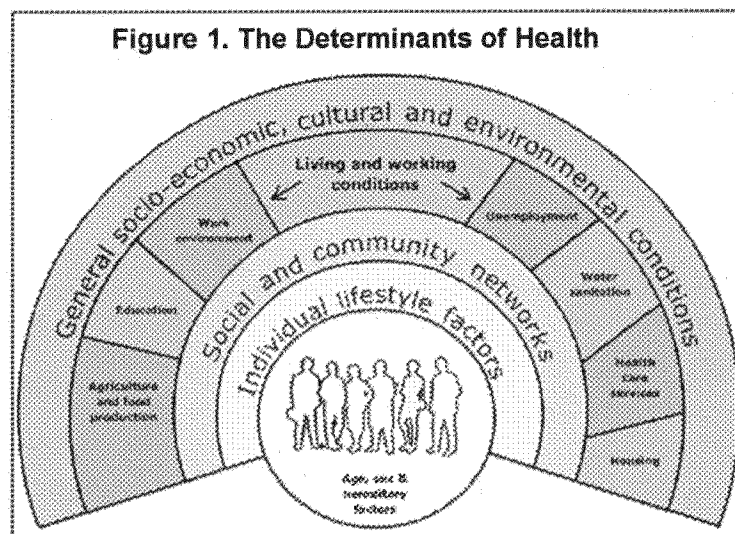
A person's health status is the result of the interaction between factors related to the physical and social environment, the individual's behavior and, to a lesser degree, inherited health characteristics. Such factors are called determinants of health. ***Social determinants of health*** are a subset of these health regulating factors and include income and social status, employment, education, housing, the built environment, social support networks and discrimination.

In recent decades, health researchers have found that social determinants exert a more significant influence on our health than individual behavior or genetics. By extension, public health strategies to improve our community's health must include efforts to support changes in our social environment. For example, people who attain higher levels of education enjoy better health outcomes relative to those who have less

education. Therefore, dedicating more resources to education is an important approach to fostering optimal health.

Social determinants of our health are typically influences that are the furthest away or "upstream" from health outcomes like disease or death. They set in motion a series of interconnected events and situations that ultimately shape our health status. These powerful upstream influences are typically not thought of as traditional public health concerns. Addressing these upstream or root causes of health status will require comprehensive, interdisciplinary strategies with old and new public health partners.

This report is part of a series that presents an overview of social determinants of health in Multnomah County including the economy, education, transportation and the built environment, and neighborhood and social conditions. The information in this series, together with data on birth, death and disease occurrence in the county, provide a fuller understanding of the broader public health concerns facing Multnomah County.



Source: Dahlgren G & Whitehead M. Policies and strategies to promote social equity in health. Stockholm: Institute of Future Studies, 1991.

The effect of the economy on health

Economic factors are among the most powerful determinants of an individual's health. These factors determine the types of employment opportunities available in a community and the wages a worker can earn. Employment and income, in turn, influence a person's ability to meet basic needs such as nutritious food and adequate housing. Income can also dictate the level of educational attainment achieved by an individual which in turn affects employment opportunities.

Aside from preventing individuals from meeting basic living needs, unemployment, underemployment, and low income contribute to higher levels of psychological stress that undermines physical health. The human body's response to stress involves diverting nutritional resources away from routine repair and maintenance functions to fuel a "fight or flight" response. Frequent or continuous exposure to this stress response can result in adverse effects on cardiovascular and immune systems leading to heart disease, diabetes, high blood pressure, strokes, depression and infections.

Health is also affected by the distribution of wealth in a community. In general, the greater the gap between the richest and poorest segments of a community the worse the health outcomes are for that community. Strategies that target poverty and income inequality are being discussed increasingly among public health professionals as a way of improving health.

Multnomah County has not been spared the effects of the current global economic downturn. By some economic indicators such as unemployment, the county is suffering more than the rest of the country.¹

The decline in local housing values combined with unemployment has resulted in significantly reduced revenue for local government services and programs such as fire, ambulance, public assistance and educa-

tion. These resulting budget cuts come at time when county residents are in greatest need of financial support.

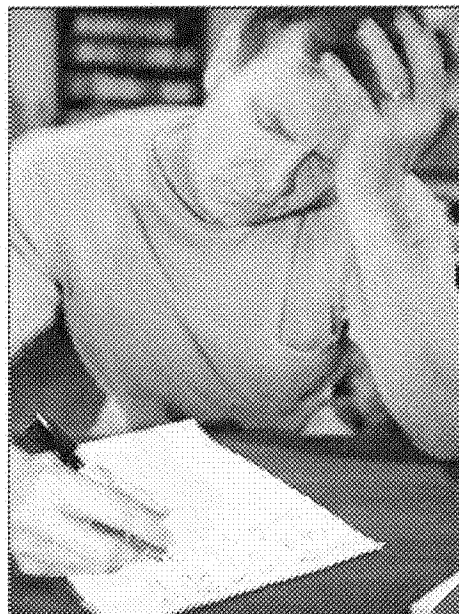
Standard of Living in Multnomah County

Median income has grown little

Between 2000 and 2007, the economy in Oregon grew faster than the nation in terms of gross domestic product and average worker productivity.² Yet, over the same period, personal income in Multnomah County did not reflect the economic growth.

In 1999 the median income for all households in the county was \$51,372 (inflation-adjusted to 2007).³ By 2007 the median income was \$48,883.⁴

According to the Oregon Center for Public Policy, the reason household income did not grow as the local economy thrived is that the benefits of this economic growth have been inequitably distributed.² The gap between rich and poor has grown with most of the prosperity accumulated at the higher end of the socioeconomic ladder (see p6 for additional details).



The cost of living in Multnomah County has risen steadily

While median household income did not grow, the cost of living in the Portland metropolitan area rose steadily each year between 1998 and 2007,⁵ particularly for medical care.

Even when unemployment was low, the high cost of living in Multnomah County made it difficult for many families to access resources that are also considered root determinants of health. These include adequate educational opportunities, quality child care, affordable and safe housing that is centrally located, nutritious food, and safe neighborhoods.

According to the Bureau of Labor Statistics between 1998 and 2007 residents of the Portland metropolitan area paid more every year to maintain the same standard of living.

Census Bureau data for 2007 indicate that almost half of the county's renter-occupied housing units were leased by residents paying 30% or more of their household income on rent (which is considered unaffordable housing by the Department of Housing and Urban Development).⁶ Approximately 45% of owner-occupied housing units with a mortgage were occupied by residents paying 30% or greater of their household income on housing costs.⁷

A full-time, minimum wage earner cannot afford to live in this county

According to the Pennsylvania State University living wage calculator, the pre-tax income needed in 2008 for a family of two adults and two children to maintain a modest lifestyle in Multnomah County without public assistance was approximately \$62,700 annually or \$30.13 per hour.⁸ This calculation assumes one adult is working full time. The household expenses used to calculate the annual income include housing, food, clothing, child care, transportation, health care, and taxes. For the same year,

the federal poverty level (FPL) was just over \$22,200 annually (\$10.67 per hour) for a family of four, about one third of the amount needed to meet a basic family budget.

The minimum wage in Oregon in 2008 was \$7.95 per hour or \$16,500 per year working full time. That is one-fourth the living wage calculated by Pennsylvania State University.

Low income jobs makes life unaffordable in Multnomah County. To make ends meet, low income households may have to live further away from city centers and, perhaps, from their work site. They may also pay less for food, heating, or health care to meet their monthly expenses.



Unequal distribution of income and poverty

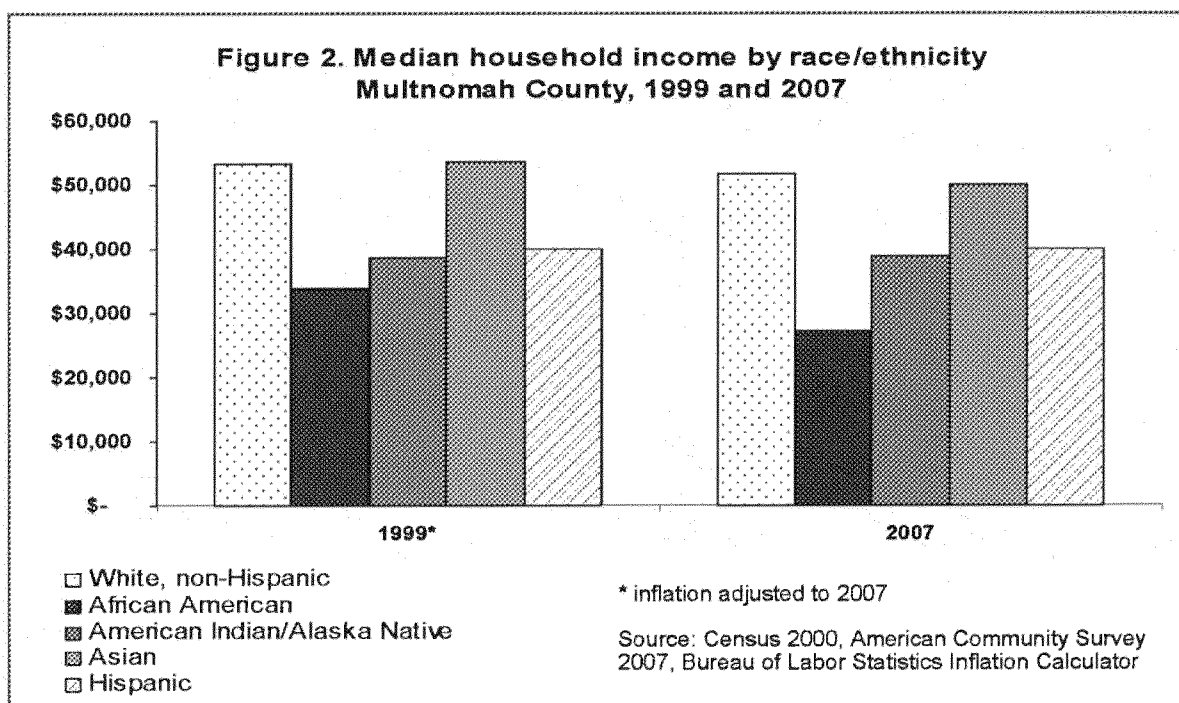
Differences in income exist based on household type

Median income in Multnomah County varies by age and type of family. Householders who are younger than 25 years or 65 years and older had the lowest median household incomes compared to other age groups in 2007.⁴ This is of particular concern for residents 65 years and older, who are not a part of the labor force and have fewer options to supplement their fixed incomes.

Households composed of single mothers of children younger than 18 years have lower median household

incomes compared to either married couples with children or with single fathers

There are also racial and ethnic disparities in median household income. White, non-Hispanic households had the highest median income in 2007 while African American households had the lowest median income.⁴ Since 1999 the racial and ethnic disparity in median household income decreased for some racial groups (American Indian/Alaska Natives and Hispanics compared with White, non-Hispanics). However, the gap in median household income between African Americans and the rest of the population increased (figure 2).⁴



Unequal distribution of income in Multnomah County

- In 2007, the median monthly income of single mothers was about \$805 less (approximately 30% less) than that of single fathers, about \$3,340 less (about 70% less) than that of married-couple families with children.¹⁵
- In 2007, the median annual household income for White, non-Hispanics was about \$51,600, African Americans was about \$27,300.⁶

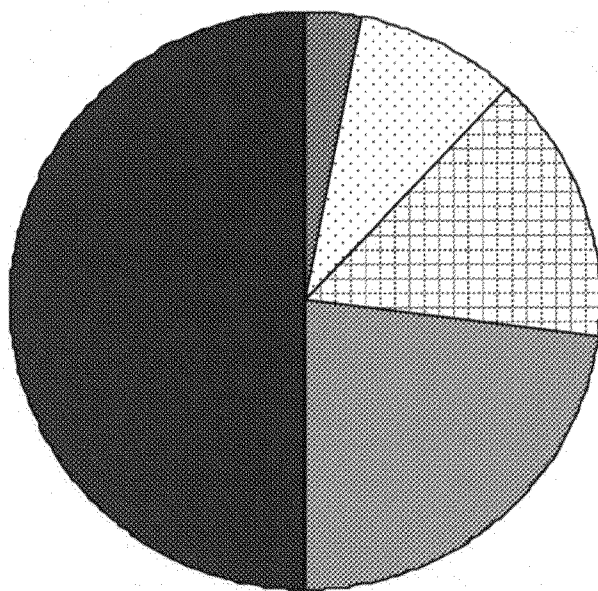
Income inequality is increasing

Income can also be examined in terms of the gap between the richest and poorest segments of our community (relative poverty). The income gap between the highest and lowest-earning segments of our county is of concern because wider gaps in income are associated with poor health outcomes for the whole community. Researchers explain this association both in terms of differential access to resources, and in terms of the negative psychological effects of seeing oneself as positioned lower on a socioeco-

nomic ladder.

One way to examine income inequality is to look at the share of total income earned by the poorest and richest of the county's households. Figure 5 shows that half of the combined income of all county residents in 2007 went to the richest 20% of while the poorest 20% earned only 3% of the total income. The richest 5% of the county's households earned almost 22% or over one fifth of the combined household income in the county.⁹

Figure 3. Share of aggregate household income earned by five income levels, Multnomah County, 2007



Percent of total county-wide income earned:

- Poorest fifth earned 3%
- Second poorest fifth earned 9%
- ▤ Middle fifth earned 15%
- ▦ Second richest fifth earned 23%
- Richest fifth earned 50%

Source: American Community Survey, 2007

"There is a new type of caller," says 211 Call Center Specialist, Lily Gael, "they are folks who have jobs that pay \$10-\$12 per hour, but just can't make ends meet. There is a new group of people joining the working poor."

[Source: Press release from 211 Info dated October 30, 2008]

Poverty varies by race and age also

The overall percent of Multnomah County residents with annual incomes below the federal poverty threshold grew from 12.7% in 1999¹⁰ to 15.2% in 2007.¹¹

The highest poverty rates were experienced by African Americans and Hispanics with 32% of African American residents and 24% of Hispanic residents living at or below the federal poverty level in 2007 in Multnomah County.¹¹

Children under the age of 18 years are also more likely to live in poverty; in 2007, about 1 out of every 5 children in this age group (21.7%) lived at or below the federal poverty level.¹¹ Approximately 48% of school children in the county were eligible for free or reduced price school lunches because of low family income during the 2007-08 academic year.¹²

These measures do not capture the magnitude of the population that can be described as the "working poor" - people living above the poverty threshold but still unable to afford basic life necessities.

Employment opportunities

Forecasts predict growth in low income jobs

In 2007 the Oregon Employment Department projected that among the fastest growing occupations employing significant numbers of people were food preparation and service, personal care and service, building and grounds maintenance, healthcare support services and healthcare practitioners and technicians.¹³ Many of these jobs pay between \$11 and \$15 an hour which is far less than a living wage to support a family of four and are unlikely to include health care benefits.

Higher wage jobs that are expected to grow in the next decade are likely to require specialized training, often including education beyond a bachelor's degree.

At present, Multnomah County does not have a large enough pool of well-educated residents to take advantage of higher wage jobs (see Table 2 below).

Table 2. Educational attainment in Multnomah County, 2007

	18-24 year olds	25 years or older
High school graduates or less	46%	34%
Some college	43%	31%
College graduate or higher	11%	35%

Weak economy threatens funding for public education

With a weakened economy that is expected to remain depressed for the next 2 to 3 years and high unemployment rates, state and local governments will continue to see a decline in revenue. As a result, cuts to public services, like K-12 education, are very likely.

Reductions in school budgets come at a time when public schools are already facing challenges. According to the Oregon Department of Education approximately 18% of high school students (grades 9 through 12) in Multnomah County public schools dropped out of school during the 2005-06 academic year and 22% dropped out during the 2006-07 year.

There is a sizable and growing proportion of young adults in this county that will be unprepared to take advantage of any economic growth and are most vulnerable economically in the current financial climate. Consequently, access to healthy food and stable, quality housing will be curtailed and will increase the risk of poor health outcomes for these individuals.

Promising policy directions

Oregon is projected to begin a very slow economic recovery by early to mid- 2010.¹⁴ Until the economy strengthens, we can expect continued high unemployment rates; increasing numbers of residents who cannot afford food, quality housing, or health care; and mounting demands on public assistance programs as well as community-based organizations. While addressing the immediate financial and basic living needs of those in need is crucial at this time, it is also important to examine options for harnessing future economic growth in ways that support the community's health. Accordingly, the policies presented in this section fall into two broad areas: those that will address short term needs and those that will yield economic and community health benefits in the long term.

Short-term efforts

Unemployment leads to poor health; public assistance can improve health

The connection between unemployment and poor health has been documented by researchers since the early 1980s. Joblessness or the fear of losing one's job creates high levels of stress and insecurity which contribute to poor health. Unemployment also means that families may spend less on food and health care which have more direct consequences on health status, especially for children.

The American Recovery and Reinvestment Act includes funds to expand access to health care. This allocation is in recognition of the fact that high unemployment has left people without health insurance and can have an adverse health impact.

Remove barriers to employment and prepare workers with the right skills

Along with public assistance to stabilize the financial situation of unemployed individuals and their dependents, it is also important to help individuals find and keep new jobs. Two concerns for people looking for employment are quality childcare for those with children and appropriate job training.¹⁵

Lack of childcare-related assistance disproportionately affects low-income, single parents seeking employment, which in turn affects their ability to meet the needs of their families. This group consists primarily of women. Increased assistance for quality childcare is a critical part of removing barriers to employment for families with children.¹⁵

The scarcity of job openings makes it even more important that job-seekers have skills that potential employers are looking for. In 2008 the Oregon Employment Department reported that employers found it hard to recruit employees with basic work ethics

(showing up on time, team work, willingness to work etc.) as well as the right skill set for the job. With limited public dollars behind job training resources it makes sense to identify those occupations that pay more than a minimum wage and for which there is a greater demand for skilled workers.

Currently, Oregon's laws require a person on public assistance to take the first job offered to them even if they are in the middle of training to acquire a new set of skills that could lead them to a higher paying job. Again, removing this barrier to acquiring skills that are in demand will provide unemployed people with a much needed boost in terms of the quality of jobs they can apply for.

Assisting the working poor through the state tax system

In addition to public assistance programs, state tax credits are a way of putting money back into the hands of working families. The Earned Income Tax Credit, or EITC, benefits low-income working families by reducing the amount of income tax they must pay. The federal government and some states offer this tax credit; Oregon has one of the smallest state tax credits. Increasing the state EITC would allow low-income working families to afford more of the basic needs that support good health. The EITC returns much needed cash to low income working families that is likely to be spent within the state for necessities. For example, it is estimated that without the benefit of an expanded EITC a single parent of one child working full time at a minimum wage job in Oregon will pay \$392 in income taxes that might have been used to buy food for a month.¹⁶

Long term efforts

Invest in public education

Almost universally, economists and social researchers state that investment in educational opportunities is one of the most effective ways of improving eco-

nomic and community health. Education provides low income residents with the ability to seek quality jobs and the resources to lift themselves out of poverty. Efforts to improve public education must focus on pre-school as well as the public school system.

A Brookings Institution report proposing a plan to reduce poverty in the nation identifies the introduction of effective preschool programs as one of three key strategies to fight poverty.¹⁷ The successful demonstration programs cited in the report involved well-designed preschool curricula, experienced teachers, and routine parent involvement. Children were enrolled for about 2 years before entering kindergarten and went on to achieve higher scores on standardized academic tests, higher graduation rates, reduced need for special education, and reduced rate of criminal activity. The health and social services that were built into the preschool programs contributed to improvements in health and well-being.

Financially, this approach is a responsible use of scarce public funds. Economists at the Federal Reserve Bank of Minneapolis determined that \$1 invested in publicly funded early childhood education programs yielded \$13 in returns to the public.¹⁸

There is considerable public support in Oregon for early childhood education programs as shown in a statewide survey in 2006. Approximately 74% of state residents said that it was very important or fairly important for low-income children in the state to attend a high quality, voluntary pre-kindergarten programs.¹⁹

A review of the literature by the National Education Association indicates that public K-12 education has significant, measurable positive effect on the economy²⁰ both in terms of personal gain for the student and in public gain for society. Aside from the economic gains, greater achievement in K-12 education is also linked to improved quality of life and increased social capital.

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Health Department

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MULTNOMAH COUNTY OREGON

5/6/2009



FY 2010 Budget Worksession – Health Department

Issues/ Discussions/ Findings

Health Department

What Early Childhood Services are and are not funded in the FY 2010 Proposed Budget.

Service	General Information	Change from FY 2009
Nurse Family Partnership (NFP)	Community Health Nurse home-visits that averages 8-9 prenatal and 23-25 infant & toddler visits per family. NFP serves 350 families with 6,500 home visits annually.	Services were preserved in the FY10 budget and there will be no reductions in services.
Health Start	3, 100 first-time mothers receive screening from the Welcome Baby Team; 650 families receive support services from Family Support Workers annually. Family Support Worker services include home-visits, referral management, parent and child assessments, development of Individual Family Plans, case management, group activities/classes, parent education, and child development assessments and intervention.	If state funds remain at the current projected reduction, Family Support Worker service numbers will be preserved but reductions in Welcome Baby (screening) staffing will occur through changing the model from a mix of Community Health Nurses and Community Health Workers to just Community Health Workers. Other state budget scenarios include reductions of between 10-30%, which would cause a loss of home-visiting services to between 125 and 250 families and possibly administrative support.
Health Birth Initiative	120 African American families receive case management annually; 300 participants receive health education classes annually; 2,000-3,000 community members receive educational outreach annually	Grant is flat funded for FY10. FY10 is a competitive re-application year where ECS will expand services to Mid and East County, use a tiered approach to providing case management services, and increase community based support activities if the program is funded. Early word is that we were funded and we're awaiting written confirmation.

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05/06/09

WS-2

Field Services	4,300 clients (women and infants) receive over 16,000 visits annually for maternity case management, home-visit, educational, and Babies First services to at risk pregnant women and infants/toddlers who do not meet NFP, HBI or Healthy Start criteria	There is a 30% reduction in direct service staff for FY 2010, which will lead to 700 pregnant women and 600 infants not receiving services. Efforts to meet this staff reduction include redesigning of referral, outreach, and intake to improve linkage with community partners; reducing travel time by more neighborhood focus and increased use of information technology, It is expected ECS Field Services staff will continue to work with the most at risk clients and refer others to available community services.
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For more information on Early Childhood Services, see attached.

Provide dental care statistics for example, what % of Multnomah County adults get dental care at County Clinics (etc.).

14% of Multnomah County adults enrolled the Oregon Health Plan get dental care at county clinics. Total number of OHP enrollees in Multnomah County for all dental managed care plans is approximately 87,000. Approximately 40% of this population are adults or 34,800 individuals. For calendar year 2008 Multnomah County Dental clinics provided for clients 18 years and older:

- 21,685 dental visits to
- 7,358 unduplicated clients
- Approximately 3 visits/year per client

Approximately 30% of the total visits are for uninsured clients

What are the long term effects on health/social outcomes from the lack of dental care?

Heart disease, stroke and diabetes have been linked to periodontal disease (gum disease). Untreated periodontal disease leads to chronic infection and inflammation in the mouth that may have adverse effects on other systemic diseases. There have also been recent links to some pulmonary infections when oral bacteria are inhaled or aspirated into the lungs.

Adults and children miss thousands of hours of work and school each year due to dental problems. For children, poor attendance, poor nourishment, decreased learning and lower self esteem are all affiliated with poor oral health and difficulty accessing care. Once dental disease becomes moderate or advanced, it can be more difficult to find a job, access housing and other basic necessities due to a variety of socioeconomic barriers. Getting hired for a new job can be very difficult without a healthy smile.

What is the cost of the state's decision to not fund adult dental care? i.e. Medicaid "left on the table" costs shifts to emergency rooms etc.

No answer yet. Health Department did follow-up and are waiting for Medicaid office at state to get the information back to us. They will forward as soon as it is received.

Commissioner Kafoury - Do the federal stimulus Medicaid dollars limit what states can do with their Medicaid programs i.e. can states cut services or are there maintenance of effort requirements? Specifically, can the state completely eliminate adult dental services?

If we lose the OHP standard population we do lose the enhanced federal match --- i.e. if we do not get a new provider tax or some sort of revenue and lose the 25,000 people on OHP standard than we lose the enhanced match. There is going back and forth on the benefit issue. At this time the intention of the State **is to try to maintain** all benefits currently provided including Adult Dental.

Chair's Office

Commissioner Kafoury – Directs the County Lobbyist to research and report back to the BCC what is going on with dental services advocacy in Salem.



MULTNOMAH COUNTY HEALTH DEPARTMENT EARLY CHILDHOOD SERVICES

Introduction to ECS

Early Childhood Services (ECS) is situated in the Health Department's Community Health Services group, and has the mission to strengthen high risk pregnant and parenting families. This mission was articulated in FY10 Program # 40013A (ECS First Time Parents), FY10 Program # 40013B (ECS High Risk Prenatal), and FY10 Program # 40013C (ECS High Risk Infants and Children). There are currently around 65 Community Health Nurses, 10 Community Health Workers, a Health Educator, a Mental Health Consultant, and Administrative Support staff who help realize the ECS mission through supporting two main goals: (1) *Promote healthy pregnancy in populations at risk of not having a healthy pregnancy*; and (2) *Promote healthy infant/child development in populations at risk of not achieving healthy development*.

ECS also impacts three of the County's Early Childhood framework goals (Health & Wellness, Family Support, and Social/Emotional Development) by annually providing over 11,000 unduplicated clients with more than 30,000 visits. Early Childhood programs are tied to the Health Department's Healthy People 2010 targets for teen pregnancy, infant mortality, low birthweight babies, and inadequate prenatal care rates, which are much higher among vulnerable populations such as teen parents, first time parents, premature infants, and persons of color.

ECS has four programs that provide case management, home-visiting, risk reduction through health promotion and education, developmental screening and health status monitoring services to high risk parents and children as a means to reduce disparities throughout the County and serve vulnerable populations. Last fiscal year, 49% of ECS clients were children age 3 or under; 12% were women between 13 and 20; 50% were racial/ethnic minorities; and 20% required interpretation assistance.

ECS Programs

Nurse Family Partnership:

❖ General Information

- Research, evidence-based model for frequent Community Health Nurse home-visits that averages 8-9 prenatal and 23-25 infant/toddler visits per family.

❖ Special Populations

- First time mothers and their children from early pregnancy until infant is 2 years old.
- 60% of mothers have not completed high school; 87% are unmarried; 60% are persons of color; the median annual income is \$12,000; and the median age is 19.

❖ Outputs/Outcomes

- 350 families (6,500 home-visits) annually served with home-visits; 29% reduction in women smoking during pregnancy; 54% of clients without a high school diploma/GED receive one by program completion; 75% of mothers without subsequent pregnancy within 2 years; and 82% of toddlers scored above the 10th percentile on language development.

❖ Budget

- FY10 and Impact on Services: Services were preserved in FY10 budget and there will be no reductions in services.

Healthy Start:

❖ General Information

- State-funded, nationally credentialed program from the Commission on Children and Families for Family Support Worker home-visits, referral management, parent and child assessments, development of Individual Family Plans, case management, group activities/classes, parent education, and child development assessments and intervention.

❖ **Special Populations**

- First time mothers and their children from birth until child is 3 years old; there are specific services for young teen parents.
- 60% of participants are persons of color; of those offered services, 44% of Asians, 28% of Hispanics, 26% White and 32% of African American families accept services.

❖ **Outputs/Outcomes**

- 3100 first-time mothers received screening from the Welcome Baby Team; 650 families receive support services from Family Support Workers annually; over 90% of children meet normal growth and development, are up-to-date on immunizations, and receive regular well-child check-ups; over 75% of parents have increased parenting skills, positive family interaction, and read to their children regularly; and 64% of families complete the expected number of home-visits during the year, exceeding national standards.

❖ **Budget**

- FY10 and Impact on Services: If state funds remain at the current projected reduction, Family Support Worker service numbers will be preserved but reductions in Welcome Baby (screening) staffing will occur through changing the model from a mix of Community Health Nurses and Community Health Workers to just Community Health Workers. It is anticipated that this new service model will be more cost effective. Other state budget scenarios include reductions of between 10-30%, which would cause a loss of home-visiting services to between 125 and 250 families and possibly administrative support.

Healthy Birth Initiative:

❖ **General Information**

- Federally-funded project focused on reducing perinatal disparities in birth outcomes through case management, health education and outreach, and a Consortium of community members.

❖ **Special Populations**

- African American families in North and Northeast Portland
- 100% of women are low income; the median age is 22.

❖ **Outputs/Outcomes**

- 120 African American families receive case management annually; 300 participants receive health education classes annually; 2,000-3,000 community members receive educational outreach annually; 80% of enrolled women receive prenatal care in the first trimester; and 95% of enrolled women who identify a housing, employment or education need make a linkage with resources; there have been no infant deaths in the program for over 4 years.

❖ **Budget**

- FY10 and Impact on Services: FY10 is a competitive re-application year where ECS will expand services to Mid and East County, use a tiered approach to providing case management services, and increase community based support activities if the program is funded. Grant is flat funded for FY10.

Field Services:

❖ **General Information**

- Provide maternity case management, home-visit, educational, and Babies First services to at risk pregnant women and infants/toddlers who do not meet NFP, HBI or Healthy Start criteria.

❖ **Special Populations**

- ;Pregnant and parenting teens; pregnant women with health risks; pregnant women who are experiencing domestic violence or mental health issues; first time mothers and their children, low birthweight infants; infants with medical conditions; and infants whose parents are at risk of not providing adequate developmental support.

❖ **Outputs/Outcomes**

- 4,300 clients (women and infants) receive over 16,000 visits annually; 90% of infants with medical problems receive appropriate community care; and 82% of infants are within normal limits for development at age 1.

❖ **Budget**

- FY10 and Impact on Services: There is a 30% reduction in direct service staff for FY10, which will lead to 700 pregnant women and 600 infants not receiving services. Efforts to meet this staff reduction include redesigning of referral, outreach, and intake to improve linkage with community partners; reducing travel time by more neighborhood focus and increased use of information technology, It is expected ECS Field Services staff will continue to work with the most at risk clients and refer others to available community services.

**MULTNOMAH COUNTY OREGON
EXECUTIVE RULE NO. 0335**

Appointments to 2009 Multnomah County Charter Review Committee

- a. The Multnomah County Home Rule Charter provides for appointment of a County Charter Review Committee for the purpose of "making a comprehensive study of the Multnomah County Home Rule Charter ..." (County Charter 12.30).
- b. Such appointments are to be made no later than August 30, 2009, by consensus of the State Senators and Representatives of each Senatorial district within Multnomah County in accordance with Charter provisions.
- c. Appointments by State Senators and Representatives have been made as follows for each Senatorial district:

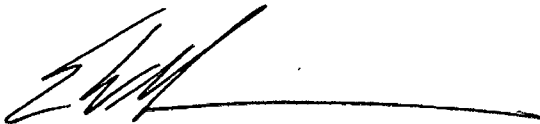
Pastor Jason Albelo
Dr. Orin Bolstad
Ron Cease
Mark Garber
Jim Hennings
The Honorable Dale Koch
Rob Milesnick
Dr. Cathy Moonshine
Robert Richardson
The Honorable Nan Waller
Julie Young

Ed Blackburn
Ronault LS (Polo) Catalani
Joe Gall
John Hahn-Francini
Tony Hopson
Jon Kruse
Mary Monnett
Robert Reynolds
Glenn Taylor
Brian Wilson

The following Executive Rule is adopted:

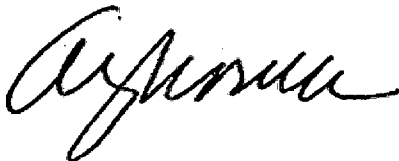
1. The above list of citizens will form the 2009 Multnomah County Charter Review Committee and will be convened by the Chair's Office for their first meeting as soon as practicable.

Dated this 28 day of August, 2009.



Ted Wheeler, Multnomah County Chair

REVIEWED:



Agnes Sowle, County Attorney, For Multnomah County, Oregon