



## **Washington High School Community Center**



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# Population

Police Staffing

Roads\*

\*Billion Dollar Backlog

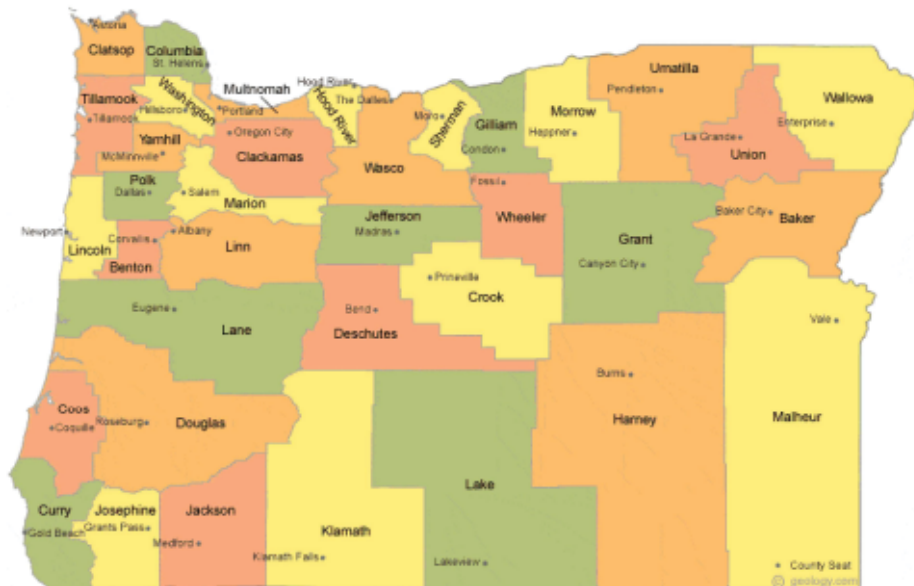
Livability Metrics\*

\*Auditor's survey

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# Statewide Laws – Local Impact



## Property Tax Laws

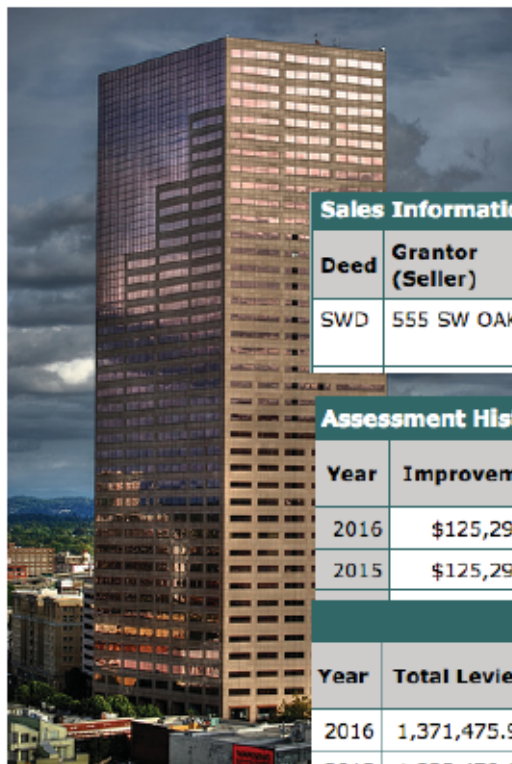
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Big Pink

2015:  
Sold to  
UBS Global  
Real Estate  
for  
\$372.5 million

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# Big Pink



MULTNOMAH COUNTY, OREGON  
PROPERTY RECORDS

## Sales Information

Deed	Grantor (Seller)	Grantee (Buyer)	Instrument	Date	Consideration Amount
SWD	555 SW OAK LLC	111 SW 5TH AVENUE	<a href="#">2015110021</a>	08/26/15	\$372,500,000

## Assessment History

Year	Improvements	Land	Special Mkt / Use	RMV	Exemptions	Assessed
2016	\$125,297,950	\$0	\$0 / \$0	\$125,297,950		\$58,230,590
2015	\$125,297,950	\$0	\$0 / \$0	\$125,297,950		\$56,534,560

## Tax Summary

Year	Total Levied	Ad Valorem	<a href="#">Special Assessments</a>	Principal	Interest Due	Date Paid	Total Owed
2016	1,371,475.97	1,371,475.97	0.00	0.00	0.00	11/09/16	0.00
2015	1,335,470.68	1,335,470.68	0.00	0.00	0.00	11/12/15	0.00
2014	1,289,568.06	1,289,568.06	0.00	0.00	0.00	05/04/15	0.00

# Washington High School Community Center





## Big Pink

*back of envelope  
rough estimate*

Market Value: \$ 372 million

2016 Prop. Taxes: \$1.4 million

Effective Prop. Tax rate: .38%

Measure 5 Cap: 1.5%

Measure 5 only: \$ 5.9 million

**Lost Revenue  $\approx$  \$4 Million**

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# California

## *Home of tax revolt*

### *Proposition 13*

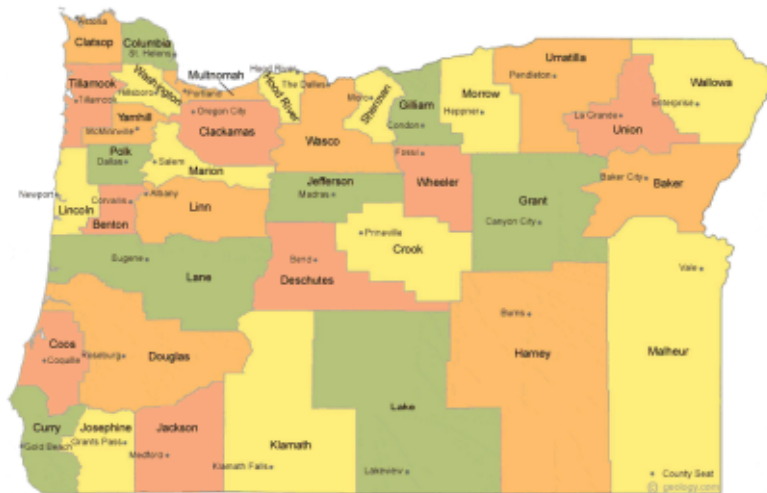


*Properties fully reassessed  
to market value when sold;  
then capped again annually  
until sold again.*

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## Statewide Laws – Local Impact

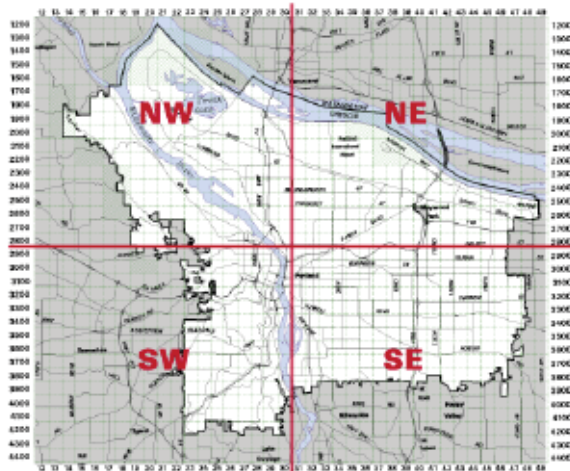


Oregon is *only* state not to reassess properties when sold

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## Statewide Laws – Local Impact



Nearly 40% of Portland's General Fund revenues  
come from Property Taxes;

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## Statewide Laws – Local Impact



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## The Big Pink effect

We decide to bond and build

Our community center:

- \$60 Million Dollar Loan
  - 20 years at 3%
  - Annual Payments of \$ 4 million.
- *< \$4.4 million in additional taxes that Big Pink would be paying if assessed when sold in 2015*

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**Image: Portland Monthly**

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# 300 Block Building

Sold 2015 \$ 155 Million



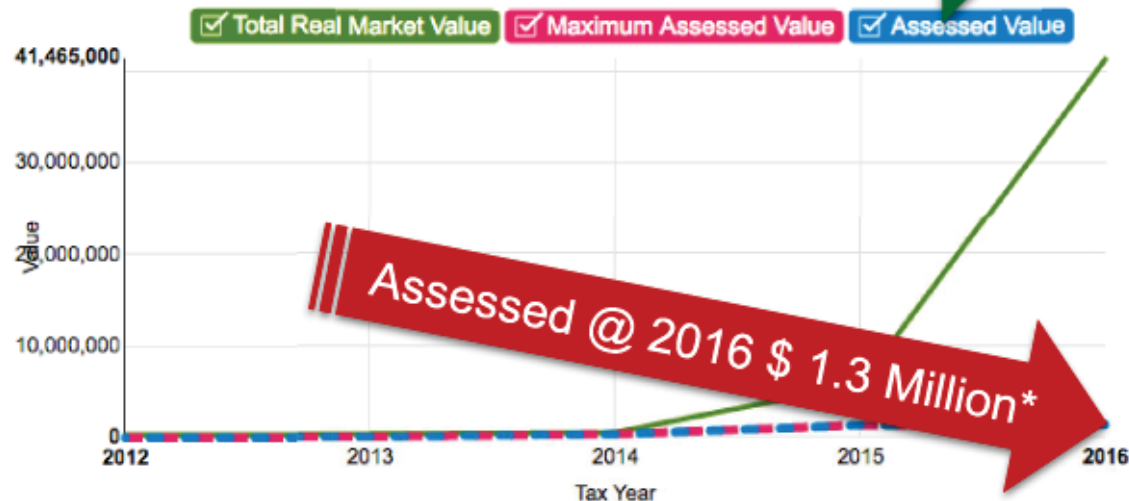
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# The Yard

Sold 2016 @ \$ 126 Million



*\*Abated for providing affordable units; MAV would be about \$40 million assessment without this*

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## Path Back to Sanity

- 1) *Detailed analysis of fiscal impact of restoring full property tax reassessment upon sale or transfer*
- 2) *Create incentives for stakeholders to support this new initiative*

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For Portland stakeholders, incentives to support property tax reform might include targeted givebacks:

- 1) *Repeal of niche taxes/fees: Arts Tax, Leaf Collection Fee, etc. that are inefficient to implement or unpopular or both.*
- 2) *Reduce System Development Charges*
- 3) *Reduce Business Taxes*



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Is our community here  
to serve development  
or the other way around?  
Or maybe best,  
a middle ground.

Thank You! «?»

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Jeff Cole, 4343 SE Madison St, Portland, OR 97215



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- I'm Jeff Cole and live in Sunnyside. My ask today is 60 million dollars to build a community center.
- I know that given pending cuts to our Parks budget this may seem like asking for the Taj Mahal, or even the moon.
- We should all be asking "why?" – why when Portland is building and booming like crazy – are we cutting budgets and services?
- While we grow and grow, Our police force shrinks, Our roads crumble, Our livability erodes.
- The fix to this requires a statewide lift.
- And though Portland may not have the Taj Mahal – we do have Big Pink – now worth one third of one billion dollars.
- This massive appreciation does absolutely nothing for our community's tax base. Thanks to measure forty seven the Maximum Assessed Value of Big Pink is capped at a three percent increase per year based on its 1995 value.
- If Big Pink had been reassessed fully when sold last year, close to four million dollars in new annual revenue would have been generated – *while still complying with Don McIntire's Measure 5 Property Tax limits.*
- Even in California properties are fully reassessed when sold.
- Oregon is the only state not to reassess property when it is sold.
- The impact on Portland's general budget is huge.
- Only new construction escapes the 1995 based cap – local governments cash in big when demolitions are followed by new million dollar homes.
- The big pink effect throws a long shadow. Bonding is complex so I'll use a simple loan scenario. We borrow sixty million to fund Washington High School Community Center at 3% interest over 20 years. Annual payments would range near \$ 4 million – commiserate with forgone Big Pink tax revenues.
- We – the public – invested heavily in Downtown. Private interests built Big Pink. Appreciation resulted from this partnership. The community's ability to capture a small share of this windfall to reinvest in future improvements is critical. Without a new pool this nice young woman is down for a very hard landing.
- The Big Pink effect is widespread.
- Portland's real estate market is so hot this phenomena now happens over months instead of years.....
- At different scales this phenomena is playing itself out in just about every Portland neighborhood.
- So how to fix this? First we need a detailed analysis of property tax assessment reform, and then with these results in hand, design incentives to foster support.
- Portland today relies on an ever growing list of supplementary taxes and rising fees. New property tax revenues could allow us to repeal or reduce niche taxes or fees. Or lower System Development Charges which contribute to higher housing costs. Or support local entrepreneurs by reducing business tax rates.
- Property tax reform needs to be a top priority for Portland's business and community leaders alike.
- Thank you.



2

## Moore-Love, Karla

---

**From:** Jeff Cole <tjeffcole@gmail.com>  
**Sent:** Tuesday, November 01, 2016 5:40 PM  
**To:** Mary Schwab Ann  
**Cc:** Moore-Love, Karla  
**Subject:** Re: wham 2017

Hi Karla,

put me down for Jan. 4th too, please.

Topic: Washington High School Community Center

4343 SE Madison St.  
Portland, OR 97215

503.927.7748

thank you  
Jeff Cole

> On Nov 1, 2016, at 5:38 PM, Mary Ann Schwab <e33maschwab@gmail.com> wrote:  
>  
> January 4, 2017  
>  
> Subject: WA-MO Memorandum of Understanding between PP&R and PPS to purchase the 1.31 acres open  
field facing SE Morrison Street.  
> (may be tweaked — once I get back with Jeff. And we may be inviting Robert McCullough to join us.  
Please give us a couple days to get our ducks in a row.  
>  
> Many, many thanks,  
>  
>  
>  
>  
>  
>  
> Mary Ann Schwab, Community Advocate  
> 605 SE 38th Avenue  
> Portland, OR 97214-3203  
>  
>  
>  
>  
>> On Nov 1, 2016, at 5:31 PM, Moore-Love, Karla <Karla.Moore-Love@portlandoregon.gov> wrote:  
>>  
>> Hello Mary Ann,  
>>

>> Today is the first day to speak on Wednesday, January 4th. I already have one person signed up. You will each need to send in your own request. Please include, name, address, phone, date you wish to speak, and topic.

>>

>> Regards,

>> Karla

>>

>> Karla Moore-Love |Council Clerk

>> City of Portland |Office of the City Auditor

>> 1221 SW 4th Ave Rm 130

>> Portland OR 97204-1900

>>

>> email: Karla.Moore-Love@portlandoregon.gov

>> Testimony Email: cctestimony@portlandoregon.gov

>> phone: 503.823.4086

>> Clerk's Webpage: [www.portlandoregon.gov/auditor/councilclerk](http://www.portlandoregon.gov/auditor/councilclerk)

>>

>> -----Original Message-----

>> From: Mary Ann Schwab [mailto:[e33maschwab@gmail.com](mailto:e33maschwab@gmail.com)]

>> Sent: Tuesday, November 01, 2016 5:20 PM

>> To: Moore-Love, Karla <[Karla.Moore-Love@portlandoregon.gov](mailto:Karla.Moore-Love@portlandoregon.gov)>

>> Cc: Cole Jeff <[tjeffcole@gmail.com](mailto:tjeffcole@gmail.com)>

>> Subject: Fwd: wham 2017

>>

>> Hi Karla,

>>

>> Please help Jeff and I out here. At what date can we formally request time on the 3-minute communications — so we can be among the first citizens to speak to the new City Council?

>>

>> Thank you,

>> mas

>> (503) 236-3522

>>

>>

>

Request of Jeff Cole to address Council regarding Washington High School  
Community Center (Communication)

JAN 04 2017

PLACED ON FILE

Filed DEC 27 2016

**MARY HULL CABALLERO**  
Auditor of the City of Portland

By  Deputy

COMMISSIONERS VOTED AS FOLLOWS:		
	YEAS	NAYS
1. Fritz		
2. Fish		
3. Saltzman		
4. Eudaly		
Wheeler		