

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator David Logsdon	2. Telephone No. 823-6958	3. Bureau/Office/Dept. OMF/Facilities
4a. To be filed (date): January 19, 2012	4b. Calendar (Check One) <div style="display: flex; justify-content: space-around;"> Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/> </div>	5. Date Submitted to Commissioner's office and FPD Budget Analyst: January 19, 2012
6a. Financial Impact Section: X Financial impact section completed		6b. Public Involvement Section: <input type="checkbox"/> Public involvement section completed

1) Legislation Title:

Approve an Intergovernmental Agreement between the Portland Development Commission and the City for the renovation of Veterans Memorial Coliseum (Ordinance)

2) Purpose of the Proposed Legislation:

The IGA authorizes PDC to transfer net \$17.1 million in tax increment funding for the renovation of Veterans Memorial Coliseum. See #4 below for details.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input checked="" type="checkbox"/> Central City | | | |
| <input type="checkbox"/> Internal City Government Services | | | |

FINANCIAL IMPACT**4) Revenue:** Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

This intergovernmental agreement ("IGA") with PDC provides tax increment funding for the renovation of VMC. At the closing of the redevelopment agreement ("RDA"), PDC will transfer \$17.1 million to either the City or directly to the escrow account established as part of the redevelopment agreement. In addition, PDC is advancing up to another \$5.9 million to cover planning and architectural costs incurred prior to RDA closing and to fund down payment costs for the new ice floor and other time critical scope items. Once the RDA closes, PDC will be reimbursed for all of these advanced expenditures from the project escrow and their net

contribution to the project will be \$17.1 million. This is being done to leverage the maximum amount of historic tax credits which is estimated to be \$4 million.

In addition, the Portland Winter Hawks intend to contribute \$10 million. The project is also pursuing several small grants. The total project budget is expected to be \$30 – 31 million.

Only the advanced funding for time critical scope items will flow through the Spectator Fund. It is expected that needed budgetary adjustments will be made during the spring BMP process.

The bulk of PDC funding will be deposited directly to the project escrow in accordance with the RDA and project funding agreement.

5) Expense: What are the costs to the City related to this legislation? What is the source of funding for the expense? *(Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the level of confidence.)*

This IGA provides tax increment funding to restore a City-owned building which substantially benefits the City financially. As long as the RDA closes and the full project moves forward, this ordinance has no direct impact on City funds. However, if the RDA is not closed by December 31, 2012, the City will be obligated to reimburse PDC for funds advanced to the City for the down payments on time critical project scope items. The reimbursement would occur through an agreement between the City and PDC that would be negotiated if needed. Funds to reimburse PDC would come from the Spectator Fund.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

No.

- **Will positions be created or eliminated in future years as a result of this legislation?**

No.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs*

to be created. Use additional space if needed.)

185121

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☒ **YES:** Please proceed to Question #9.

☐ **NO:** Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

Increased access to events and activities within this renovated arena.

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

Mayor Adams convened a 32 member stakeholder advisory committee which met for two years and evaluated reuse options for VMC and supported the renovation of the VMC. The advisory committee had broad representation of business, neighborhood, sports, community and other parties which have interests in the Rose Quarter area.

c) How did public involvement shape the outcome of this Council item?

Public involvement supported the decision to retain the VMC as a spectator venue, but did not specifically affect the funding IGA being approved by this Council item.

d) Who designed and implemented the public involvement related to this Council item?

The Mayor's Office, PDC and consultants.

e) Primary contact for more information on this public involvement process (name, title, phone, email):

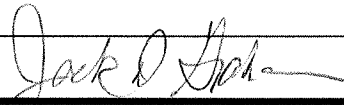
Kevin Brake at PDC, 823-3351.

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

No.

Jack D. Graham, Chief Administrative Officer

BUREAU DIRECTOR (Typed name and signature)





CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE

Sam Adams, Mayor
Jack D. Graham, Chief Administrative Officer
1120 SW Fifth Ave., Suite 1250
Portland, Oregon 97204-1912
(503) 823-5288
FAX (503) 823-5384
TTY (503) 823-6868
TDD (503) 823-6868

DATE: January 19, 2012

**FOR MAYOR'S OFFICE USE
ONLY**

TO: Mayor Sam Adams

Reviewed by Bureau Liaison

VIA: Jack Graham *jpg*

185121

FROM: David Logsdon

RE: IGA with PDC for VMC

1. **INTENDED THURSDAY FILING DATE:** January 19, 2012
2. **REQUESTED COUNCIL AGENDA DATE:** January 25, 2012
3. **CONTACT NAME & NUMBER:** David Logsdon 823-6958
4. **PLACE ON:** ☐ CONSENT ☒ REGULAR
5. **BUDGET IMPACT STATEMENT ATTACHED:** ☒ Y ☐ N ☐ N/A
6. **(3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY**
ATTACHED: ☒ Yes ☐ No ☐ N/A

7. **BACKGROUND/ANALYSIS**

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In addition, the Portland Winter Hawks intend to contribute \$10 million. The project is also pursuing several small grants. The total project budget is expected to be \$30 – 31 million.

An Equal Opportunity Employer

To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities upon request.

8. FINANCIAL IMPACT

This IGA provides tax increment funding to restore a City-owned building which substantially benefits the City financially. As long as the RDA closes and the full project moves forward, this ordinance has no direct impact on City funds. However, if the RDA is not closed by December 31, 2012, the City will be obligated to reimburse PDC for funds advanced to the City for the down payments on time critical project scope items. The reimbursement would occur through an agreement between the City and PDC that would be negotiated if needed. Funds to reimburse PDC would come from the Spectator Fund.

9. RECOMMENDATION/ACTION REQUESTED

File for first reading on Wednesday, January 25, 2012.