

ORDINANCE No.

185264

Authorize Intergovernmental Agreements with Portland Development Commission for transfer of tax increment revenues and shared tax revenues related to Neighborhood Prosperity Initiative urban renewal districts (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The Neighborhood Economic Development Strategy (the "NED Strategy") is a citywide initiative to foster economic opportunity and neighborhood vitality throughout Portland neighborhoods.
2. On or about October 18, 2011, Mayor Sam Adams announced the Neighborhood Prosperity Initiative ("NPI"), one of the NED Strategy's key elements that will result in the creation of up to six small innovative urban renewal areas focused on neighborhood commercial areas. The goal of the NPI is to strengthen neighborhood business districts' economic competitiveness through community-planned and community-implemented actions and projects.
3. Ordinances have been submitted seeking City council approval for the urban renewal plans for the following six NPI districts: NE 42nd Avenue; Cully Boulevard; Parkrose; Rosewood; SE Division Street (117th - 148th Avenues); and, SE Division Street and 82nd Avenue (individually "NPI District"). Each NPI District will focus on increasing the visibility of the business district, growing more jobs, strengthening existing businesses and filling vacant spaces.
4. Upon approval of an urban renewal plan and conformance with all provisions of ORS Chapter 457, each NPI District will become a small urban renewal area ("URA") administered by a local community-based non-profit organization (each a "District Manager") and monitored by PDC.
5. Tax revenues generated on the Incremental Assessed Value from each NPI District will provide tax increment revenues ("TIR") for a portion of each NPI District's funding for capital improvement projects.
6. The City of Portland receives the TIR from each URA created by the City. Article IX, Section 1c of the Oregon Constitution and ORS Chapter 457 require that the TIR be spent to pay indebtedness incurred for urban renewal projects. For the NPI District URAs, an indebtedness to PDC is created when the City enters into an intergovernmental agreement that requires the City to pay TIR to PDC for expenditures on urban renewal projects described in the urban renewal plan of each NPI District URA. The City does not intend to issue bonds secured by the tax increment revenues for NPI District URAs.

7. PDC and the City acknowledge and agree that in order to be fully successful, each NPI District will require additional funding revenues beyond the TIR available to each NPI District URA.
8. ORS 457.470(4) provides that taxing jurisdictions overlapping a URA formed on or after January 1, 2010 receive a portion of the revenues generated on the incremental assessed value of the URA when the URA reaches certain revenue thresholds (the "Shared Revenues").
9. Multnomah County will execute an agreement with PDC to grant PDC an annual amount equal to the County's share of the Shared Revenues due to the County as a taxing jurisdiction, in support of each NPI.
10. The City agrees to grant PDC an annual amount equal to its share of the Shared Revenues due to the City as a taxing jurisdiction.
11. Each NPI District anticipates a maximum funding amount, including TIR and the Shared Revenues of Multnomah County and the City, of \$1,250,000.00 ("Total Funding"), which includes PDC administrative costs.

NOW, THEREFORE, the Council directs:

- a. The Chief Administrative Officer (CAO) of the Office of Management and Finance (OMF), or his designee, is authorized to execute an Intergovernmental Agreement with the Portland Development Commission in substantially similar form to the Intergovernmental Agreement attached hereto as Exhibit A to permit the transfer of TIR to PDC for urban renewal projects in the NPI District URAs and upon approval as to form by the City Attorney's Office.
- b. The CAO of the OMF, or his designee, is authorized to execute an Intergovernmental Agreement with the Portland Development Commission in substantially similar form to the Intergovernmental Agreement attached hereto as Exhibit B to grant the City's Shared Revenues from ORS 457.470(4) to PDC for the NPI Districts and upon approval as to form by the City Attorney's Office.
- c. The CAO, or his designee, is further authorized to take further necessary actions to administer and monitor transfer of funds required by the Intergovernmental Agreements and to manage the Intergovernmental Agreements on behalf of the City.

Passed by the Council: APR 11 2012

Mayor Sam Adams
Prepared by: Jonas Biery *JB*
Date Prepared: March 16, 2012

LaVonne Griffin-Valade
Auditor of the City of Portland

By *Susan Parsons*
Deputy

185264

Agenda No. **185264**
ORDINANCE NO.
 Title

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INTRODUCED BY Commissioner/Auditor: Mayor Sam Adams	CLERK USE: DATE FILED <u>MAR 30 2012</u>
COMMISSIONER APPROVAL Mayor—Finance and Administration - Adams <i>[Signature]</i>	LaVonne Griffin-Valade Auditor of the City of Portland By: <u><i>[Signature]</i></u> Deputy
Position 1/Utilities - Fritz	
Position 2/Works - Fish	
Position 3/Affairs - Saltzman	
Position 4/Safety - Leonard	
BUREAU APPROVAL Bureau: Financial Services <i>[Signature]</i> Bureau Head: Rich Goward	ACTION TAKEN: APR 04 2012 PASSED TO SECOND READING APR 11 2012 9:30 A.M.
Prepared by: Jonas Biery <i>JB</i> Date Prepared: March 16, 2012	
Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Council Meeting Date April 4, 2012	
City Attorney Approval <i>[Signature]</i>	

AGENDA

TIME CERTAIN
 Start time: **9:30 a.m. (7 of 7)**

Total amount of time needed: 1 hour total
 (for presentation, testimony and discussion)

CONSENT

REGULAR
Total amount of time needed:
 (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	<input checked="" type="checkbox"/>	
2. Fish	2. Fish	<input checked="" type="checkbox"/>	
3. Saltzman	3. Saltzman	<input checked="" type="checkbox"/>	
4. Leonard	4. Leonard	<input checked="" type="checkbox"/>	
Adams	Adams	<input type="checkbox"/>	