

Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

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

1. Name of Initiator Morgan Masterman		2. Telephone No. X 3-6839	3. Bureau/Office/Dept. Portland Development Commission
4a. To be filed (date): August 2, 2012	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: August 1, 2012
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

Authorize the Submittal of a Boundary Change Request to the State of Oregon to move 4.2 acres from the East Portland Enterprise Zone to the Portland Enterprise Zone (Resolution)

2) Purpose of the Proposed Legislation:

This Resolution authorizes the Portland Development Commission (PDC), on behalf of the City, to submit a request for minor boundary changes to the Portland Enterprise Zone (E-Zone) and East Portland E-Zone to Business Oregon. The purpose of the boundary change is to move the Burnside Bridgehead site from the East Portland E-Zone to the Portland E-Zone where an Electronic Commerce (E-Commerce) overlay exists. This will allow Cascade Energy, an industrial energy efficiency company making a significant investment in the Convention Plaza building at the Burnside Bridgehead site, to access state tax credits through the E-Commerce program.

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 checked="" 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.

Cascade Energy's investment is projected to create 30 to 60 new jobs while retaining approximately 60 jobs. This investment is a direct result of the City's and PDC's efforts to provide access to additional

resources such as the E-Zone and E-Commerce programs. This investment has the potential to increase revenues to the City through the business income tax.

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**.)

No costs to the City are anticipated due to this legislation.

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.)

We do not anticipate creating, eliminating, or reclassifying any positions this year due to this legislation.

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

We do not anticipate creating or eliminating positions in future years due to this legislation.

(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.)

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

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.

Given the recent outreach and support for the creation of the East Portland E-Zone, and because this action only moves property from one zone to another, a comprehensive public involvement effort was not undertaken for this minor boundary amendment. Public information was available and PDC informed key stakeholders including the E-Zone Advisory Committee, local taxing jurisdictions, and Central Eastside leadership. To date, stakeholders have had no concerns about this action. During the process to create the East Portland E-Zone, PDC received letters of support from the following stakeholders:

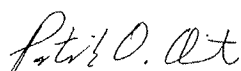
- Multnomah County
- Software Association of Oregon
- Greater Portland Inc
- Columbia Corridor Association
- Businesses considering expansion and investment in the E-Zone
- Urban Renewal Advisory Committee chairs

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

- a) What impacts are anticipated in the community from this proposed Council item?
- 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?
- c) How did public involvement shape the outcome of this Council item?
- d) Who designed and implemented the public involvement related to this Council item?
- e) Primary contact for more information on this public involvement process (name, title, phone, email):

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

Pursuant to the E-Zone Policy, an advisory committee will provide oversight and recommendations regarding the program to the PDC Executive Director and the Commission.



Patrick Quinton
BUREAU DIRECTOR



PORTLAND
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www.pdc.us

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Commissioner

John C. Mohlis
Commissioner

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Commissioner

Charles A. Wilhoite
Commissioner

Sam Adams
Mayor

Patrick Quinton
Executive Director

DATE: August 1, 2012

TO: Mayor Sam Adams

FROM: Keith Witcosky, Deputy Director

RE: Authorize the Submittal of a Boundary Change Request to the State of Oregon to move 4.2 acres from the East Portland Enterprise Zone to the Portland Enterprise Zone (Resolution)

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison _____

1. **INTENDED THURSDAY FILING DATE:** August 2, 2012
2. **REQUESTED COUNCIL AGENDA DATE:** August 8, 2012
3. **PRIMARY CONTACT NAME & NUMBER:** Morgan Masterman, 823-6839
4. **SECONDARY CONTACT & PREPARED BY:** Andy Reed, 823-7053
5. **PLACE ON:** ☐ CONSENT ☒ REGULAR
6. **FINANCIAL IMPACT & PUBLIC INVOLVEMENT STATEMENT ATTACHED:**
☒ Yes ☐ No ☐ N/A
7. **(THREE) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED:** ☐ Yes ☐ No ☒ N/A

8. BACKGROUND/ANALYSIS

Introduction and History –

The action before the City Council authorizes the Portland Development Commission (PDC), on behalf of the City, to submit a request for minor boundary changes to the Portland Enterprise Zone (E-Zone) and East Portland E- Zone to Business Oregon. The purpose of the boundary change is to move the Burnside Bridgehead site from the East Portland E-Zone to the Portland E-Zone where an Electronic Commerce (E-Commerce) overlay exists. This will allow Cascade Energy, a local industrial energy efficiency company, to access state tax credits through the E-Commerce program. Cascade Energy testified at the East Portland E-Zone hearing on June 14, 2012 about the need for E-Commerce tax credits in order to make their investment in the Convention Plaza building at the Burnside Bridgehead site viable.

The E-Zone and E-Commerce programs provide limited duration tax incentives for firms making capital investments which expand operations, increase jobs, and increase the tax base. These programs have proven to be Oregon's key offering in the pursuit of business growth, expansion, retention and recruitment. Their effectiveness is based on a short-term, but immediate, benefit for the business project's cash flow.

Legal Issues – None

Link to Current City Policies – As with the creation of the East Portland E-Zone, this amendment will advance the objectives of the 2009 City of Portland Economic

Development Strategy and the PDC Strategic Plan which place an emphasis on creating jobs and maximizing competitiveness.

Controversial Issues — None

Citizen Participation — Given the recent outreach and support for the creation of the East Portland E-Zone, and because this action only moves property from one zone to another, a comprehensive public involvement effort was not undertaken for this minor boundary amendment. Public information was available and PDC informed key stakeholders including the E-Zone Advisory Committee, local taxing jurisdictions, and Central Eastside leadership. To date, stakeholders have had no concerns about this action.

A meeting before the Port of Portland Commissioners and a City Council hearing will be held on August 8, 2012.

Pursuant to the E-Zone Policy, an advisory committee will provide oversight and recommendations regarding the program to the PDC Executive Director and the Board.

Other Government Participation — The Port of Portland shall conduct a public hearing on August 8, 2012 and is expected to approve a resolution in support of the boundary change request. Additionally, notice of the request was provided to all overlapping taxing jurisdictions in accordance with OAR 123-650-7000 and ORS 285C.115.

9. FINANCIAL IMPACT

This action will allow Cascade Energy to access state income tax credits and has no impact to the City's budget, nor any other local taxing jurisdictions.

10. RECOMMENDATION/ACTION REQUESTED

It is recommended that the City Council approve the Resolution authorizing PDC to submit a request to the State of Oregon for minor boundary changes to the Portland Enterprise Zone and East Portland Enterprise Zone.



Keith Witcosky,
Deputy Director