

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

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

1. Name of Initiator Geraldene Moyle		2. Telephone No. 823-3420	3. Bureau/Office/Dept. Portland Development Commission
4a. To be filed (date): December 7, 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: December 6, 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 add 29.2 acres to the East Portland Enterprise Zone (Resolution)

2) Purpose of the Proposed Legislation:

The action before the City Council authorizes the Portland Development Commission (PDC), on behalf of the City, to submit a request for a 29.2-acre boundary expansion to the East Portland Enterprise Zone (E-Zone) to Business Oregon. The purpose of the expansion is to allow the E-Zone program to be available for private investment at the ZRZ Realty site located at 3121 SW Moody Avenue in the South Waterfront sub-district of the Central City.

ZRZ Realty is currently master planning the future development of this property with a focus on attracting high-growth, quality-job creating companies. This E-Zone designation will provide an important resource for leveraging employment opportunities on this site and assisting ZRZ and the City in reaching goals for 10,000 jobs and 5,000 housing units for South Waterfront at full build out.

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 checked="" type="checkbox"/> Southwest | <input checked="" 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.

The South Waterfront Central City sub-district has goals for 10,000 jobs and 5,000 housing units. ZRZ's investment in the redevelopment of their property with a focus on employment is projected to create opportunities to reach these goals. The property taxes for this investment will be abated for a period of five years. After five years, property taxes will accrue to the City and other applicable taxing jurisdictions. 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.

In June 2012, as part of the original approval process for the East Portland E-Zone five opportunities for public testimony and comment occurred:

- A public meeting of affected taxing jurisdictions
- A public open house at the Immigrant and Refugee Community Organization
- A meeting before the Port of Portland Commissioners and
- A meeting before the PDC Board
- A public hearing/meeting of Portland City Council

In addition to these meetings, PDC staff conducted conference calls with Urban Renewal Advisory Committee (URAC) Chairs from the Central Eastside, Gateway and Lents to explain the focus and purpose of the application for a new E-Zone. All chairs were supportive of the program given its ability to create jobs and leverage private investment. This expansion has received support from leadership of the North Macadam URAC and the adjacent property owner (OHSU).

Oregon Administrative Rules requires notifying overlapping taxing jurisdictions of any proposed boundary amendments. That notice was provided on November 20, 2012. No concern was expressed from these partners, and the most active partner, Multnomah County Chair Jeff Cogen is supportive of this expansion.

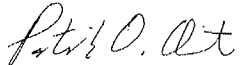
Additionally, the statutes require the Port of Portland pass a resolution in consent of proposed boundary amendments. Port staff supports the proposed action and are forwarding that recommendation to the Port Commission for action at their scheduled meeting December 12, 2012.

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.

No further public involvement is anticipated for this specific action.



Patrick Quinton
BUREAU DIRECTOR

J. Scott Andrews
Commission Chair

Aneshka Dickson
Commissioner

John C. Mohlis
Commissioner

Steven Straus
Commissioner

Charles A. Wilhoite
Commissioner

Sam Adams
Mayor

Patrick Quinton
Executive Director

DATE: December 5, 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 add 29.2 acres to the East Portland Enterprise Zone (Resolution)

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison ____

1. **INTENDED THURSDAY FILING DATE:** December 6, 2012
2. **REQUESTED COUNCIL AGENDA DATE:** December 13, 2012
3. **PRIMARY CONTACT NAME & NUMBER:** Keith Witcosky, 823-3243
4. **SECONDARY CONTACT & PREPARED BY:** Geraldene Moyle, 823-3420
5. **PLACE ON:** ☐ CONSENT ☒ REGULAR (Time Certain 2:30 p.m.)
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 to Business Oregon for a 29.2-acre boundary expansion of the East Portland Enterprise Zone (E-Zone). The purpose of the expansion is to allow the E-Zone program to be available for private investment at the ZRZ Realty site located at 3121 SW Moody Avenue in the South Waterfront sub-district of the Central City.

ZRZ Realty is currently master planning the future development of this property with a focus on attracting high-growth, quality-job creating companies. This E-Zone designation will provide an important resource for leveraging employment opportunities on this site and assisting ZRZ and the City in reaching goals for 10,000 jobs and 5,000 housing units for South Waterfront at full build out.

The E-Zone program provides for the abatement of property taxes for five years to firms making new capital investments which expand operations and increase employment. This program has proven to be a valuable economic development tool across Oregon. It is one of the state's most effective mechanisms for business growth, expansion, retention and recruitment.

Legal Issues – None

Link to Current City Policies – Active use of the E-Zone program advances many 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. In addition, this expansion will assist the City in meeting the development goals of the South Waterfront Central City sub-district.

Controversial Issues – None

Citizen Participation – In June 2012, as part of the original approval process for the East Portland E-Zone five opportunities for public testimony and comment occurred:

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- A meeting before the PDC Board
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This expansion has received support from leadership of the North Macadam URAC and the adjacent property owner (OHSU).

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Additionally, the statutes require the Port of Portland pass a resolution in consent of proposed boundary amendments. Port staff supports the proposed action and are forwarding that recommendation to the Port Commission for action at their scheduled meeting December 12, 2012.

FINANCIAL IMPACT

There is no direct financial impact of this action on the City of Portland. The E-Zone program does not decrease projected growth in property taxes. The five-year property tax abatements only apply to new capital investment, and once they expire, the increased value returns to the tax rolls.

9. RECOMMENDATION/ACTION REQUESTED

It is recommended City Council approve the Resolution authorizing PDC to submit a request to the State of Oregon for a 29.2-acre expansion of the East Portland Enterprise Zone.



Keith Witcosky,
Deputy Director