

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

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

1. Name of Initiator Andy Reed		2. Telephone No. 823-7053	3. Bureau/Office/Dept. Portland Development Commission
4a. To be filed (date): December 12, 2013	4b. Calendar (Check One) Regular Consent 4/5ths <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: December 12, 2013
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 172.5 acres to the 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 of Portland (City), to submit a request to Business Oregon for a 172.5 acre boundary expansion of the Portland Enterprise Zone (E-Zone). The purpose of the expansion is to allow the E-Zone program to be available for 1) a private investment by Canpotex at Terminal 5 (T-5) in the Port of Portland (Port) and 2) promoting future industrial development in the northern third portion of the Colwood Golf Course at 7313 NE Columbia Blvd.

Canpotex, the world's premier potash exporter, is an international marketing and logistics company owned by Saskatchewan potash producers: Agrium Inc., The Mosaic Company through its wholly-owned subsidiary, Mosaic Canada Crop Nutrition, LP, and Potash Corporation of Saskatchewan Inc. Canpotex has a long-standing presence in the Port and is well respected by Port management.

PDC and Port staff is working with Canpotex, as they are conditionally committed to making a significant investment on 100 acres at the Port's T-5 marine facility, located at 15550 N. Lombard Street. Canpotex is proposing an investment of \$25 million to purchase a new loader to move product onto ocean liners. After this initial investment to support existing operations, if approved by their board of directors, future investment could grow to more than \$150 million.

In addition, the City has rezoned 48.4 acres of a site currently used by the Colwood Golf Course, located at 7313 NE Columbia Blvd. to be used for industrial development. As there is a very limited supply of large lot sites for higher-value, traded-sector industrial development, we would like to add this particular site to the Portland E-Zone to provide incentives for larger recruitments in the Advanced Manufacturing cluster.

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 checked="" type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input checked="" type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input 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.

Canpotex will be making a \$25 million investment in new machinery. The property taxes for that 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.

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.


Oregon Administrative Rules requires notifying overlapping taxing jurisdictions of any proposed boundary amendments. That notice was provided on November 13, 2013. No concern was expressed from these partners, and the most active partner, Multnomah County 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 the Port Commission passed a resolution in consent of a proposed boundary amendment on December 11, 2013.

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.

A rectangular box containing a handwritten signature in black ink. The signature appears to be "Patrick Quinton" written in a cursive style.

Patrick Quinton
BUREAU DIRECTOR

J. Scott Andrews
Commission Chair

Aneshka Dickson
Commissioner

John C. Mohlis
Commissioner

Steven Straus
Commissioner

Charles A. Wilhoite
Commissioner

Charlie Hales
Mayor

Patrick Quinton
Executive Director

DATE: December 12, 2013

TO: Mayor Charlie Hales

FROM: Patrick Quinton, Executive Director

RE: Authorize the Submittal of a Boundary Change Request to the State of Oregon to add 172.5 acres to the Portland Enterprise Zone (Resolution)

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison ____

1. **INTENDED THURSDAY FILING DATE:** December 12, 2013
2. **REQUESTED COUNCIL AGENDA DATE:** December 18, 2013
3. **PRIMARY CONTACT NAME & NUMBER:** Patrick Quinton, 823-3355
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 to Business Oregon for a 172.5 acre boundary expansion of the Portland Enterprise Zone (E-Zone). The purpose of the expansion is to allow the E-Zone program to be available for 1) a private investment by Canpotex at Terminal 5 (T-5) in the Port of Portland (Port) and 2) promoting future industrial development in the northern third portion of the Colwood Golf Course at 7313 NE Columbia Blvd.

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PDC and Port staff is working with Canpotex, as they are conditionally committed to making a significant investment on 100 acres at the Port's T-5 marine facility, located at 15550 N. Lombard Street. Canpotex is proposing an investment of \$25 million to purchase a new loader to move product onto ocean liners. After this initial investment to support existing operations, if approved by their board of directors, future investment could grow to more than \$150 million.

The investment would create 10-20 new permanent full-time jobs in the transportation sector. In order to provide the company with access to the Enterprise Zone program and to help build the case to the company's board of directors to make a significant investment in Portland, the City is requesting that Business Oregon add this property to the Portland Enterprise Zone.

In addition, the City has rezoned 48.4 acres of a site currently used by the Colwood Golf Course, located at 7313 NE Columbia Blvd. to be used for industrial development. As there is a very limited supply of large lot sites for higher-value, traded-sector industrial development, we would like to add this particular site to the E-Zone to provide incentives for larger recruitments in the Advanced Manufacturing cluster.

To accommodate inclusion of these two properties in the E-Zone boundary, a portion of Rivergate industrial area would be removed from the E-Zone (approx. 92 acres). The area to be removed includes the Bonneville Yard rail tracks as well as wetland mitigation ponds that have an environmental overlay on them.

The E-Zone program provides an 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. The program is attractive to growing businesses because it brings immediate benefit by increasing their short term cash flow.

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 traded-sector jobs and maximizing competitiveness.

Controversial Issues – None

Citizen Participation – Oregon Administrative Rules requires notifying overlapping taxing jurisdictions of any proposed boundary amendments. That notice was provided on November 13, 2013. No concern was expressed from these partners, and the most active partner, Multnomah County is supportive of this expansion.

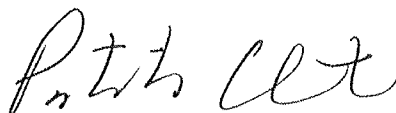
Additionally, the statutes require the Port to pass a resolution in consent of proposed boundary amendments. Port staff supports the proposed action and the Port Commission passed a resolution in consent of a proposed boundary amendment on December 11, 2013.

9. 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.

10. RECOMMENDATION/ACTION REQUESTED

It is recommended the City Council approve the Resolution authorizing PDC to submit a request to the State of Oregon for a 172.5 acre boundary expansion to the E-Zone.



Patrick Quinton
Executive Director