

IMPACT STATEMENT

Legislation title: Designate Prosper Portland as the Administrator the of Industrial Site Readiness Program on Behalf of the City of Portland
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Purpose of proposed legislation and background information:

The Industrial Site Readiness (ISR) Program, in support of the Regionally Significant Industrial Sites program (RSIS), was approved by the Oregon State Legislature in 2013 and provides reimbursements based on income tax revenues for private-public partnerships to cover the cost of development of industrial sites that would likely not occur without targeted public assistance.

Business Oregon will reimburse eligible ISR costs after a project is completed and is occupied by a company that employs a minimum of 50 new full-time employees averaging at least 150 percent of Multnomah County or State of Oregon wages, whichever is less. Revenues used for reimbursement are calculated at 50 percent of the State of Oregon income taxes paid by the employer, with a program-wide cap of \$10,000,000 per year, disbursed until the entire approved costs are paid off.

On February 14, 2018 through Resolution No. 7262, the Prosper Portland Board requested that Portland City Council designate Prosper Portland as the entity authorized to administer the ISR Program on behalf of the City of Portland (City).

Should Prosper Portland become the ISR Program administrator, it will have the ability to sponsor eligible projects for future industrial use on regionally-significant sites that the agency either owns or sponsors through a development agreement with a private owner. In general, these are sites that are planned or zoned for industrial use.

Once a site and project are identified, Prosper Portland and the eligible traded sector employer would enter into a sponsorship contract that binds the employer to the requirements of the ISR Program, which includes periodic reporting of employment statistics, and specifies the financial assistance (e.g., loan or grant) from Prosper Portland to the private property owner and/or employer.

After the sponsorship contract is executed, Prosper Portland would then be eligible to apply for an ISR Tax Reimbursement Arrangement (TRA). The TRA would be a contract between Prosper Portland and Business Oregon that would allow Prosper Portland to be reimbursed by the State Department of Revenue. Reimbursement would be estimated by the incremental income tax generated by the employer, until such time as the public sponsor's eligible costs are fully recaptured.

Financial and budgetary impacts:

There are no immediate or direct budget or financial impacts to the City.

Community impacts and community involvement:

This is a program through Business Oregon. The Industrial Site Readiness Program was authorized by the State Legislature in 2013, where received a public process and public feedback.

100% Renewable Goal:

This action does not impact the City's renewable goal.

Budgetary Impact Worksheet**Does this action change appropriations?**

- YES:** Please complete the information below.
 NO: Skip this section

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