BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH MULTNOMAH COUNTY AND THE CITY OF PORTLAND REGARDING EXPANSION OF THE OREGON CONVENTION CENTER	))))))	RESOLUTION NO. 00-3011A Introduced by Executive Officer Mike Burton, Councilor David Bragdon, and Councilor Rod Monroe

WHEREAS, the Metro Council adopted Resolution No. 99-2836 on September 9, 1999, approving a Memorandum of Understanding (MOU) among Metro, the City of Portland, Multnomah County, Tri-County Lodging Association, National Car Rental Companies, Car and Truck Rental and Leasing Association, Tri-Met, Portland Development Commission, and Portland Oregon Visitors Association; and

WHEREAS, the MOU called for the preparation of various legally binding actions by Metro, the City of Portland, and Multnomah County, and actions by other parties to the MOU, to provide for financing for a needed major expansion and completion of the Oregon Convention Center (OCC); and

WHEREAS, representatives of the parties to the MOU have agreed to the terms under which the expansion and completion of OCC will be financed, in which the City of Portland will issue bonds to pay for construction, the debt service on which is to be paid with proceeds of increases in Multnomah County's transient lodgings and vehicle rental taxes; and

WHEREAS, other projects and initiatives anticipated in the MOU are also to be accomplished, including capital improvements to Civic Stadium and the Portland Center for the Performing Arts (PCPA), provision of additional operating support to OCC for six years, provision of additional operating support for PCPA, extension of Tri-Met's

Fareless Square, and establishment of a Visitor Development Fund (VDF) and VDF Board of Directors; and

WHEREAS, an Intergovernmental Agreement among Metro, the City of Portland, and Multnomah County is necessary to provide legally binding obligations on the parts of the three jurisdictions to perform their obligations as anticipated in the MOU; now, therefore,

BE IT RESOLVED:

That the Metro Council authorizes the Executive Officer to execute the Intergovernmental Agreement in a form substantially similar to the attached Exhibit A.

ADOPTED by the Metro Council this 14th day of December, 2000.

David Bragdon, Presiding Officer

APPROUVÉ APPROVED
METRO COUNCIL CONSEIL MÉTROPOLITAINE
METRO

APPROVED AS TO FORM:

Daniel B. Cooper, General Counsel

VISITOR FACILITIES

INTERGOVERNMENTAL AGREEMENT

This intergovernmental agreement (Agreement) is among the City of Portland (the City), Multnomah County (the County) and Metro.

FINDINGS

a. The purpose of this intergovernmental agreement is to implement the understandings among the parties contained in the September 14, 1999, Memorandum of Understanding. The MOU included statements concerning the present intention of Metro, the City and the County to not further increase the transient lodgings tax or vehicle rental tax beyond the rates provided for herein. While not a legally binding provision, Metro, the City and the County reaffirm those provisions of the MOU.

b. ORS 190.010 authorizes the parties to enter intergovernmental agreements to carry out their activities and functions.

c. All parties are authorized to promote the visitor industry and economic development within their jurisdictions and to fund or operate facilities that attract visitors and support the arts in the area.

d. The Oregon Convention Center is owned and operated by Metro. The Portland Center for the Performing Arts (PCPA) is owned by the City and operated by Metro. The Civic Stadium is owned by the City.

e. All parties have an interest in the maintenance and improvement of these regional visitor facilities and in the visitor industry development in the Portland-Multnomah County area. The parties have entered into this Agreement and the related agreements contemplated in the MOU because the visitor development and spectator facility system is intertwined and the operation of that system is critical to the continued production of revenue for the purposes defined herein. In order for the improvements provided in this Agreement to function in an economically viable manner, all of the items included require funding. The loss of funding for any item may threaten the viability of all of the improvements.

f. The City is willing to issue bonds backed by its full faith and credit in order to obtain favorable terms for the bonds on the condition that the County imposes and maintains new 2.5% surcharges on its transient lodgings and vehicle rental taxes for the life of the bonds.

g. The County is willing to impose and maintain the tax surcharges and intends that the new 2.5% tax surcharges on transient lodging and vehicle rentals will only remain in effect as long as necessary to pay or defease the Bonds issued under this Agreement.

h. The County is authorized by the County Charter and by Multnomah County Code Sections 11.300 – 11.305 and 11.400 – 11.499 to pledge tax revenues from the Motor Vehicle Rental Tax for Visitor Facilities and the Transient Lodging Tax for Visitor Facilities, respectively, for bonds and other borrowings, including the City's Bonds as provided in ORS 288.594.

i. The Oregon Convention Center currently receives an allocation of a portion of the 3% Multnomah County transient lodgings tax surcharge for operating support pursuant to Multnomah County Code section 11.401(D)(2)(a). These funds are restricted and are only to be used for support of the Oregon Convention Center and may not be used by Metro for other purposes.

AGREEMENT

I. DEFINITIONS

A. Administrative Fee means County Trust Account fee. The fee is the County's Indirect Flow Through Rate that is published annually in the County Indirect Cost Rates and Countywide Cost Allocation Plan and charged to internal County accounts.

B. Bonds mean, collectively, the Civic Stadium Bonds, the Convention Center Completion Bonds, and the PCPA Bonds.

C. Civic Stadium Bonds mean the bonds or other debt obligations issued by the City to fund the Civic Stadium improvements in an amount not to exceed $35,000,000, and any bonds issued to refund those bonds.

D. Convention Center Completion Bonds mean the bonds or other debt obligations issued by the City to fund the Convention Center Completion Project in an amount not to exceed $100,000,000, and any bonds issued to refund those bonds.

E. Convention Center Completion Project means the expansion of the Oregon Convention Center facilities to include approximately 105,000 square feet of exhibit space, a 35,000 square foot ballroom, a total of 40 meeting rooms, 35,000 square feet of lobby space, a 825 space parking garage and 10 loading docks. The anticipated budget for the project is $116,000,000.

F. CPI means the annual average percent change in the Portland-Salem OR-WA CPI-U, as issued by the U.S. Department of Labor, Bureau of Labor Statistics, for the most recent 12-month calendar year period, or a comparable measure of price change should this index not be available.

G. East County Cities means Gresham, Troutdale, Fairview and Wood Village.

H. Net Revenues mean the collections (including delinquent interest and penalties) from the 2.5% surcharge transient lodgings tax (MCC 11.401(E)), the collections (including delinquent interest and penalties) from the 2.5% surcharge vehicle rental tax (MCC 11.301(C)), and earnings on amounts in the VFTA, less the Administrative Fee. Net revenues does not include any amounts required to pay refunds of surcharge taxes, interest, or other charges required by state law, debt service on the Regional Children's Campus Bonds or any Parity Obligations.

I. OCC Operating Deficit means the amount that the reasonable operating, capital repair and maintenance costs of the Oregon Convention Center exceed the total of revenues collected from the Convention Center and the 3% surcharge Transient Lodgings Tax (MCC 11.401(D)) received by Metro from the County for operation of the Convention Center. Revenues collected from the Oregon Convention Center may be decreased by the practice of providing discounts from standard rental charges and fees in order to attract events that will have the intended effect of attracting additional visitors to the region thereby increasing Net Revenues.

J. Regional Children's Campus Bonds and Parity Obligations means (a) the County's Revenue Bonds, Series 1998 (Regional Children's Campus, Inc.) that are dated October 1, 1998, (b) the Motor Vehicle Rental Tax Revenue Bonds, Series 2000A and 2000B dated November 1, 2000, (c) any obligations issued to refund obligations described in clause (a) or (b) of this definition.

K. PCPA Bonds mean bonds or other debt obligations issued by the City to fund capital improvements to the PCPA, in an amount not to exceed $2,100,000, and any bonds issued to refund those bonds.

L. Visitors Facilities Trust Account (VFTA) means the County excise tax account created by MCC 11.401(E) to receive and disburse Net Revenues as provided in this Agreement.

M. Year One means fiscal year 2000-2001.

II. COUNTY OBLIGATIONS

A. Multnomah County Ordinance 941 (MCC 11.401(E)) effective April 1, 2000, imposes a 2.5% surcharge transient lodgings tax. The County will deposit the Net Revenues from this 2.5% surcharge transient lodgings tax in the VFTA as provided in this Agreement and Attachment A.

B. Multnomah County Ordinance 942 (MCC 11.301(C)) effective April 1, 2000, imposes a 2.5% surcharge vehicle rental tax. The County will deposit the Net Revenues from this 2.5% surcharge vehicle rental tax in the VFTA as provided in this Agreement and Attachment B. [Note: there is no Attachment C to this Agreement.]

C. Dedication of Net Revenues

1. The County acknowledges that the City will issue Bonds backed by the City's full faith and credit in reliance upon the County's 2.5% surcharge transient lodgings tax and 2.5% surcharge vehicle rental tax, the County commitment to deposit the Net Revenues in the VFTA, the continuation of these taxes, and the payments from the VFTA to the City, or as directed by City, for repayment of the Bonds as provided in this Agreement.

2. As authorized in ORS 288.594, the County pledges the Net Revenues for the benefit of the City, Metro, the owners of the Bonds, and the Beneficiaries of the VFTA as defined in section II.D.3 below. The pledge is valid and binding from April 1, 2000, and will remain in effect until the Bonds are fully paid. The Net Revenues pledged are immediately subject to the lien of the pledge and that lien is, and will remain, superior to other claims and liens, except the lien of the Regional Children's Campus Bonds and any Parity Obligations. The County's pledge is limited solely to the Net Revenues and is not a limited tax bond as that term is defined in ORS Chapter 288.

3. The City may assign the County's pledge of the Net Revenues for the benefit of the owners of the Bonds.

4. The parties acknowledge that the County has made a pledge of all the revenues of its vehicle rental tax imposed by MCC 11.301 for the Regional Children's Campus Bonds and Parity Obligations. The parties further acknowledge that these pledges have priority and that the County may retain the portion of the 2.5% surcharge vehicle rental tax (MCC 11.301(C)) required to pay debt service when due on those bonds before the 2.5% surcharge vehicle rental tax revenues are deposited in the VFTA. However, the parties expect that the 10% base vehicle rental taxes collected under MCC 11.301(B) will be sufficient to pay the Regional Children's Campus Bonds and Parity Obligations, and the County has agreed in section II.C.6(b) of this Agreement to maintain base vehicle rental taxes that are sufficient to pay the Regional Children's Campus Bonds and Parity Obligations.

5. The County may make further subordinate pledges of the 10% base vehicle rental taxes collected under MCC 11.301(B). Until the Bonds are paid or defeased, the County will not grant any additional liens on the Net Revenues, except for any Parity Obligations.

6. The County has pledged the 2.5% surcharge transient lodgings tax and the 2.5% surcharge vehicle rental tax to pay the Bonds. ORS 288.594(2) (as amended by the 1999 Regular Session of the Oregon Legislative Assembly) authorizes the County to enter into covenants to impose rates and charges that generate pledged revenues each year in amounts at least equal to the operations and maintenance expenses of the system that produces the pledged revenues, plus debt service on borrowings. The Convention Center, the PCPA, the Civic Stadium, and motor vehicle rental facilities and transient lodging facilities within the County are all part of a system that attracts visitors and supports arts and economic development

in the area, and the County's 2.5% surcharge transient lodgings tax and the 2.5% surcharge vehicle rental tax are part of the revenues of that system. Pursuant to the authority of ORS 288.594(2), the County hereby agrees that it will:

a) maintain the 2.5% surcharge transient lodgings tax imposed under MCC 11.401(E) and the 2.5% surcharge vehicle rental tax imposed under MCC 11.301(C) in effect until the Bonds have been paid or the County has transferred sufficient funds to the City to defease the Bonds;

b) maintain a portion of its 10% base vehicle rental tax imposed by MCC 11.301(B) in effect at a rate that is sufficient to pay all debt service on the Regional Children's Campus Bonds and any Parity Obligations when due, until the Regional Children's Campus Bonds and any Parity Obligations are paid or defeased.

D. Visitor Facilities Trust Account

1. The County has established a VFTA that is held separate from all other County funds. The County is the Trustee.

2. The County will deposit the Net Revenues in the VFTA immediately upon receipt, and will disburse amounts in the VFTA only as provided in the Agreement.

3. The Beneficiaries of the VFTA are:

a) The City of Portland,

b) The owners of the Bonds,

c) Metro,

d) Tri-Met, and

e) The Visitor Development Board, or its successor, as provided in section V., below.

4. Each fiscal year, beginning in Year One and continuing until all Bonds are paid or defeased, the County will apply funds in the VFTA solely for the following purposes and in the following order of priority in accordance with the payment provisions of subsection 7 of this section. The VFTA will not be distributed pro rata.

a) First, to the City the amount necessary to pay scheduled debt service on the Convention Center Completion Bonds (including any mandatory sinking fund or redemption payments), and any amounts required to reimburse the City for debt service it was required to pay from other sources in previous fiscal years in which insufficient funds were available in the VFTA to pay debt service when due on the Convention Center Completion Bonds, and to Metro any amounts required to reimburse it for amounts it was required to pay under section IV.C. of this Agreement.

b) Second, to the City the amount necessary to pay scheduled debt service on the PCPA Bonds (including any mandatory sinking fund or redemption payments), and any amounts required to reimburse the City for debt service it was required to pay from other sources in previous fiscal years in which insufficient funds were available in the VFTA to pay debt service when due on the PCPA Bonds.

c) Third, to the City the amount certified by the City as necessary after application of available revenues from Civic Stadium, as established in section III.F. below, to pay scheduled debt service on the Civic Stadium Bonds (including any mandatory sinking fund or redemption payments), and any amounts required to reimburse the City for debt service it was required to pay from sources other than Civic Stadium Revenues in previous years in which insufficient funds were available in the VFTA to pay debt service when due on the Civic Stadium Bonds.

d) Fourth, to Metro the amount of any projected OCC Operating Deficit for that fiscal year, and amounts required to reimburse Metro for amounts that would have been paid to Metro under this subsection but not paid because there were insufficient funds in the VFTA.

(1) During the first six fiscal years, the total cumulative amount paid to Metro under this subsection will not exceed $8,840,000; these payments will be made according to the schedule attached as Attachment D, as that Attachment may be modified from time to time by agreement of the City's chief financial officer, the County's chief financial officer and Metro's chief financial officer.

(2) For the seventh and subsequent fiscal years, the amount, if any, of the projected OCC Operating Deficit will be established as provided below.

(a) If the Metro Executive Officer determines that there will be an OCC Operating Deficit, the Metro Executive Officer may propose the allocation of additional funds in the fiscal year budget the Metro Executive Officer transmits to the Metro Council. At the time of transmission of the fiscal year budget, the Metro Executive Officer will notify the City, County and the Visitor Development Fund Board of the projected OCC Operating Deficit. Unless the City, County or the Visitor Development Fund Board give notice of objection within 60 days of the notice, the Metro Council may thereafter adopt the proposed budget that includes an OCC Operating Deficit up to the amount proposed by the Metro Executive Officer. If either the City, acting through its City Commissioner in Charge; the County acting through its Chair; or the Visitor Development Fund Board, acting through a vote of its authorized membership, objects to the proposed budget, the matter will be referred to the Dispute Resolution Committee.

(b) If the proposed budget is approved in whole or in part by the Dispute Resolution Committee, the objection will be removed and the Metro Council may adopt a proposed budget that includes the OCC Operating Deficit up to the amount approved by the Dispute Resolution Committee.

(c) If the Dispute Resolution Committee does not approve any OCC Operating Deficit, then no additional funds shall be allocated.

(d) If this process has been followed, and an OCC Operating Deficit has been approved, upon adoption by the Metro Council of an annual budget that includes an OCC Operating Deficit, the Metro Executive Officer may transmit the adopted budget to the County, who will pay the OCC Operating Deficit from the VFTA, as provided in section II.D.4.d) or h) of this Agreement.

e) Fifth, to Metro for Convention Center marketing the amount of $250,000 in Year One, $350,000 in the second year, increased for each fiscal year thereafter by the CPI.

f) Sixth, to Tri-Met the amount of $300,000 per fiscal year beginning in the year after Year One, increased for each fiscal year thereafter by the CPI, to be used to pay the costs associated with the expansion of Fareless Square to the Lloyd Center Max station, plus any amount required to reimburse Tri-Met for costs up to $300,000 plus CPI per fiscal year that Tri-Met was required to pay in previous years in which insufficient funds were available in the VFTA to pay to Tri-Met the amount it provided in this subsection.

g) Seventh, to the Visitor Development Board, or its successor as provided in section V., below, to be deposited in the Visitor Development Fund, the amount of $250,000 in Year One, the amount of $500,000 in the next fiscal year of this Agreement, and the amount of $500,000 for each subsequent fiscal year increased by the CPI.

h) Eighth, to Metro on behalf of the operator of PCPA, the amount of $250,000 inYear One, $500,000 in the second year, increased for each year thereafter by the CPI.

i) Ninth, during the first six fiscal years of this Agreement, the amount of any projected OCC Operating Deficit in excess of the amounts provided in subsection d)(1), above, as determined pursuant to the procedure set forth in subsection d(2) above.

j) Tenth, to create and fund a revenue stabilization subaccount (RSS).

(1) The purposes of the RSS shall be to pay disbursements due in future years if Net Revenues are insufficient to pay all disbursements required for subsections a) through i).

(2) Until one year before the first date on which Convention Center Completion Bonds maturing more than 25 years after January 1, 2001, are subject to redemption, all Net Revenues remaining after the deposits required by subsections a) through i) and interest earnings thereon shall be deposited in the RSS.

(3) Beginning one year before the first date on which Convention Center Completion Bonds maturing more than 25 years after January 1, 2001, are subject to redemption, each year there will be retained or deposited into the RSS an amount sufficient to make the balance in the RSS equal to the sum of the amounts required to pay the items in subsections f), g) and h) for the then current fiscal year.

k) Eleventh, beginning one year before the first date on which Convention Center Completion Bonds maturing more than 25 years after January 1, 2001, are subject to redemption, all Net Revenues which remain after the payments and deposits described in subsections a) through i) have been made and all amounts in the RSS above the amount defined in subsection i)(3) above shall be transferred to the City to redeem or defease Convention Center Completion Bonds which mature more than 25 years after January 1, 2001, until an amount sufficient to redeem or defease all Bonds which mature after January 1, 2026, has been transferred to the City.

l) Twelfth, any amounts, not paid or placed in a subaccount under subsections a) through i), remaining in the VFTA at the end of each fiscal year may be expended according to budgets proposed by the Visitor Development Board.

m) Reimbursement amounts will be paid with interest. Reimbursement payments will be made first toward those amounts that have been outstanding for the longest period.

n) Interest on amounts to be paid under this section shall be at the Local Government Investment Pool Rate, determined as of the time of the reimbursement, for the time period beginning on the first day of the fiscal year following the date at which the payment requiring reimbursement was made.

5. The County will maintain records regarding tax receipts and the calculation of the VFTA revenues and make those records available to the City and the other Beneficiaries upon request.

6. Deposits to VFTA.

a) The County will deposit the Net Revenues resulting from the 2.5% surcharge transient lodgings tax in the VFTA immediately upon receipt.

b) The County will deposit the Net Revenues resulting from the 2.5% surcharge vehicle rental tax in the VFTA immediately upon receipt. The County may retain the portion of the surcharge vehicle rental tax required to pay debt service when due on the Regional Children's Campus Bonds and Parity Obligations before the vehicle rental tax revenues are deposited in the VFTA.

7. Payment from the VFTA.

a) The County will establish sub-accounts for each of the Beneficiaries and for the RSS as necessary to comply with the terms of this Agreement.

b) The County will make payments to the City at the direction of the City, to Metro quarterly, and to all other Beneficiaries at the end of each fiscal year of the amounts in the sub-accounts described below.

c) At the end of each quarter, to the extent that Net Revenues are available, and subject to subsection f), below, the County will:

(1) Deposit into the City's or Metro's sub-account the amount necessary to reimburse either or both of them for any advances made to pay debt service on the Bonds for any previous period. If there are insufficient Net Revenues to reimburse both the City and Metro, the longest standing reimbursement amount will be paid first.

(2) Deposit into City's sub-account the amount required to make up any deficiency in the deposit to the City's sub-account from the previous quarter.

(3) Deposit into the City's sub-account one-half of the amount certified by the City to be required to pay the current semi-annual debt service payment due on the Bonds.

(4) Deposit into the Metro sub-account the amount required to reimburse Metro for any deficiency in the amount deposited in its sub-account from any previous quarter(s).

(5) Deposit into the Metro sub-account the amount certified by Metro as required to pay one quarter of the amount defined in section II.D.4.d and e.

(6) Deposit into the Tri-Met sub-account the amount required to reimburse Tri-Met for any deficiencies in the amount deposited in its sub-account from any previous fiscal year.

(7) Deposit the amounts provided in subsection II. D.4. f. through i. of this section in the sub-accounts of the Beneficiaries in the order of their priority provided in that subsection. Each sub-account will be filled to the maximum amount provided in subsection II.D.4. of this section before the next sub-account receives funds.

(8) Deposit into the RSS the amount required by subsection D.4.i of this section.

(9) Deposit into the City's redemption sub-account the amount described in subsection D.4.j of this section.

(10) Deposit all remaining Net Revenues into the sub-account of the Visitor Development Board.

d) If, in any quarter, the County has not received sufficient Net Revenues to deposit into the City's or Metro's sub-accounts the amount required in subsection c.(1) through c.(6) above, respectively, the County will first transfer any funds available in the RSS to fill the City's and Metro's sub-accounts for that quarter.

e) If, after the transfer(s) described in the subsection immediately above, there are still insufficient funds to fill the City's and Metro's sub-accounts for the quarter, the County will transfer funds that have been deposited in the sub-accounts of the other Beneficiaries during that fiscal year, in reverse order of deposit priority, to fill the City's and Metro's sub-accounts for the quarter.

f) If, at the end of the fiscal year, there are insufficient Net Revenues to make the payments specified in subsection D.4.a. through h. of this section, the County will transfer funds from the RSS to the extent available to fill those accounts.

g) Notwithstanding any other provision of this Agreement, within 10 days after execution of this Agreement, the Trustee shall pay the amount collected by the County from surcharge vehicle rental tax collected in fiscal year 1999-2000, approximately $710,000, to Metro to fund construction of the Convention Center Completion Project. This amount shall offset the same amount of Convention Center Bonds.

8. The powers and duties of County as the Trustee are as follows:

a) The County will make an annual accounting of the VFTA trust and make that accounting available for review by the City Auditor, the County Auditor and the Metro Auditor.

b) The County will exercise the rights and powers vested in it by this Agreement, and use the same degree of care and skill in as a prudent person would exercise or use under the circumstances.

c) The County may rely upon any certificate from the City or Metro reasonably believed by it to be genuine and correct, and reasonably believed by it to have been signed or sent by the proper person or persons.

d) The County will not be answerable for other than its negligence or willful misconduct in the performance of its powers and duties under this Agreement.

e) The County will not be required to give any bond or surety in respect of the execution of the trust created or the powers granted in this Agreement.

f) This Agreement does not require the County to expend or risk its owns funds (other than the Net Revenues) or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of the rights or powers, if the County has reasonable grounds for believing that repayment of such funds, or in the alternative, indemnity satisfactory to it against such expense, risk or liability, is not reasonably assured to it.

g) In addition to those required in subsection 7 of this section, the County may establish and maintain additional accounts or subaccounts within the VFTA.

h) The County is authorized and directed to make disbursements from the VFTA from time to time as provided herein. The County will keep and maintain adequate records pertaining to the VFTA and all receipts and disbursements pertaining thereto, and will furnish upon request periodic statements to the Beneficiaries. County records relating to all income and disbursements of the VFTA will be made available by the County at its office during normal business hours to the Beneficiaries.

i) Any moneys held as part of the VFTA will be invested or reinvested by the County in legally authorized investments and administered according to the County's investment policy. All proceeds of such investments will be deposited and become part of the VFTA.

j) The County will not take any action that would result in any of the tax exempt Bonds becoming taxable.

III. OBLIGATIONS OF CITY

A. The City will issue limited tax revenue bonds, secured by the City's full faith and credit and amortized over a period not to exceed 30 years, as follows:

1. The Convention Center Completion Bonds in an amount not to exceed $100,000,000 to fund the Convention Center Completion Project, including the costs of issuance;

2. The PCPA Bonds in an amount not to exceed $2,100,000 to fund capital improvements to PCPA, including costs of issuance; and

3. The Civic Stadium Bonds in an amount not to exceed $35,000,000 to fund improvements to Civic Stadium, including costs of issuance. The City may issue bonds or other indebtedness to fund Civic Stadium improvements in addition to the Civic Stadium Bonds, however, such bonds shall not be repaid from the VFTA.

B. The City's obligation to issue the Bonds is conditioned on the County's 2.5% surcharge transient lodgings tax and the 2.5% surcharge vehicle rental tax, the creation of the VFTA, and the County's dedication of the increased Net Revenues to the VFTA, and is further conditioned upon voter approval of the surcharge taxes if required by law.

C. Any representations made by the City in connection with the issuance of the Bonds that discuss or refer to projections of income to be raised by the tax increases or rental income provided in this Agreement will make it clear that those projections were not based upon and do not rely upon information provided by either the vehicle rental or the transient lodgings industry, except to the extent that the County tax records include such information.

D. The City will provide the proceeds and earnings on proceeds of the Convention Center Completion Bonds to Metro within 15 business days of bond issuance. The City and Metro will agree on procedures to transfer the proceeds.

E. The City will provide the proceeds of the PCPA Bonds to Metro, as those funds are necessary to pay for the PCPA capital improvements. The City and Metro will agree on procedures to transfer the proceeds.

F. So long as Civic Stadium Bonds are outstanding:

1. The City will dedicate to repayment of Civic Stadium Bonds the revenues actually received from the annual license payment from the Civic Stadium, now

anticipated to be $908,000 per year beginning in fiscal year 2001-2002, increased by 4% per year.

2. Civic Stadium Revenue.

a) The City will dedicate Civic Stadium net revenues (revenues received by the City from the operation of Civic Stadium, net of debt service payments, if any, on the Civic Stadium Bonds and any other bonds issued by the City to fund the construction of Civic Stadium, reasonable operations and maintenance costs and reserves for operations and maintenance costs of Civic Stadium, and in excess of those anticipated in column 14 of Attachment F), to redeem the Civic Stadium Bonds before their maturity, provided, however, that if Civic Stadium is not operated by the County or Metro, before using net Civic Stadium revenues to redeem Civic Stadium Bonds in any year, the City will calculate and provide directly to the VDF Board, to be used for visitor development projects that benefit the East County Cities, the amount of any transient lodgings tax the City estimates to have been collected within the East County Cities in the prior fiscal that was applied to pay debt service on Civic Stadium Bonds.

b) If there are insufficient excess Civic Stadium net revenues to make the payment to the VDF Board provided in subsection a) immediately above, the City will, subject to appropriation by the City Council of legally available funds, make that payment from other City revenues.

c) If the City makes the payment for the benefit of the East County Cities from City revenues other than excess Civic Stadium net revenues, excess Civic Stadium net revenues will be used to reimburse the City for those payments before they are used to redeem Civic Stadium Bonds before their maturity.

3. The City will exercise due diligence to maximize the revenues received from Civic Stadium operations.

4. The City will use any proceeds from a sale or partial sale of Civic Stadium to repay any outstanding Civic Stadium Bonds.

G. The City will enter into an agreement with Tri-Met to support and provide $300,000 per year, adjusted annually for CPI, in funding for the extension of Fareless Square to the Lloyd Center Max station.

H. The City will enter into an agreement with Metro to provide $600,000 per year, adjusted annually for CPI, to be used one-half for PCPA operations support and one-half for PCPA capital support.

IV. METRO OBLIGATIONS.

A. Metro will manage the construction of the capital improvements made to the Oregon Convention Center, including development of a capital budget.

1. Metro will enter a negotiated guaranteed maximum price contract for the Convention Center Completion Project with a general contractor selected through a competitive process. The guaranteed maximum price will not exceed $116,000,000. Metro will limit overhead and administrative expenses charged to the project to those amounts and items that would be allowed if the Convention Center Completion bonds were voter approved general obligation bonds.

2. Metro will not authorize expenditures for the Convention Center Completion Project that exceed the capital budget of $116,000,000, plus earnings on proceeds and any additional funds Metro obtains for the project. In order to remain within that capital budget, Metro may have to delete items from the project as currently planned.

3. Metro will contribute from Convention Center reserves an amount not less than $5,000,000 to the cost of the Convention Center Completion Project.

B. Metro will manage the construction of the capital improvements to PCPA, including development of a budget for the capital improvements. The budget for the capital improvements to PCPA will not exceed the revenues available for PCPA from the PCPA Bonds, and the $300,000 annual capital support provided by the City.

C. If revenues from the VFTA available to pay debt service on the Convention Center Completion Bonds are insufficient to pay the debt service when due, Metro will make available funds sufficient to pay any shortfall in the debt service in an amount not to exceed the 3% surcharge transient lodgings tax received by Metro (MCC 11.401(D)) under its intergovernmental agreement with the County.

D. Metro will not take any action that would result in the Convention Center Completion Bonds becoming taxable. If the PCPA Bonds are issued as tax exempt bonds, Metro will not take any action that would result in those PCPA Bonds becoming taxable. Metro will indemnify the City for any costs incurred by the City from Metro action that makes the Convention Center Completion Bonds or the PCPA Bonds taxable.

E. Metro will provide its proposed and final budgets and any proposed or final supplemental budgets for MERC and the Convention Center to the City, the County and the VDF Board at the time they become available.

F. Regarding the support services it charges to MERC for the Convention Center, Metro agrees:

1. During the first six (6) years of this Agreement, Metro's support services charges will be included within the $8,840,000 OCC Operating Deficit payable from the VFTA pursuant to Section II.D.4.d.(1) above.

2. During the first six years, Metro understands and agrees that except for amounts funded consistent with the provisions of Subsection (I) below, the City, the County and the VDF Board will expect and anticipate that the support services charges will be limited to the amount that would be calculated if the support services charges had been capped at an average of 5% increase per year or a cumulative amount of 30%. This amount is shown in Attachment G, in the line designated as "Metro Support Svcs/Ins." Attachment G is attached hereto for purposes of that line only and the parties are not relying upon any other figures from that Attachment G.

G. Metro reaffirms its commitment to make every possible effort to expend at least one-third of the 3% transient lodgings tax it receives from Multnomah County for marketing the Convention Center.

H. Beginning in the seventh fiscal year, Metro's request for any VFTA funds for the OCC Operating Deficit will reflect and address the results of further studies of all Convention Center operation revenues and costs, including Metro support services charges. The studies will be conducted by an independent financial consultant or consultants chosen after consultation with an OCC advisory committee to the Metro Council created for this purpose. The selection of any independent financial consultant shall be subject to approval of the VDF Board.

I. Beginning no later than the seventh year, Metro agrees that it will, or will cause MERC to, fund at least $400,000 of the Metro support services charges allocated to the Convention Center from revenues other than revenues received from the VFTA or from decreased expenditures. In determining how to fund this amount, Metro will avoid adverse impacts on Convention Center events that attract additional visitors to the region. That amount will not be included in any request for OCC Operating Deficit. For the eighth year, the amount to be funded as provided above and excluded from OCC Operating Deficit will be $400,000 plus CPI, and the amount shall increase by CPI for every subsequent year.

J. <u>OCC Advisory Board</u>. Attachment H is a description of the Oregon Convention Center Advisory Committee. Within sixty (60) days of the approval of this Intergovernmental Agreement, Metro shall take all action necessary to create the contemplated Advisory Committee in a form substantially similar to Attachment H. In addition to these functions listed in the subparagraph relating to the scope of the Advisory Committee, the Advisory Committee shall also consult with Metro on all matters relating to the construction of the Oregon Convention Center and its expansion.

V. OTHER AGREEMENTS

A. The parties agree that if the taxes imposed by MCC 11.301(C) or 11.401(E) are repealed or suspended before the issuance of any of the Bonds, or any of them, this Agreement will be suspended. If this Agreement is suspended, the parties will meet to use good faith efforts to either modify or terminate this Agreement. If this Agreement is terminated and there is any money in the VFTA, the County will pay the balance to Metro for Oregon Convention Center operations.

B. The City, County and Metro will enter into a contract with the Visitor Development Fund Board, or its successor, regarding:

1. the composition of the Board, the procedures for appointment, nomination and confirmation of board members,

2. approval of the rules, policies and procedures of the Board,

3. approval of the budget adopted by the Board, and

4. review and audit of the expenditures of the Board.

C. The parties anticipate other documents will be required to carry out the entire project. These documents are identified in Attachment E.

VI. DISPUTE RESOLUTION

A. If a dispute arises under this Agreement among the parties, any party may initiate the following dispute resolution process:

1. The initiating party will give written notice to (a) the City Commissioner in Charge, (b) the Multnomah County Chair, (c) the Metro Executive Officer and (d) the VDF Board. The City Commissioner in Charge, the Multnomah County Chair and the Metro Executive Officer will be the Dispute Resolution Committee (DRC). The notice will identify the dispute for which the dispute process is initiated.

2. The VDF Board will be a party to and allowed to participate in the Dispute Resolution process, although it will not have a voting member on the DRC.

3. Within 15 days of the notice, each party may submit a written statement to the DRC stating the party's position on the dispute.

4. Within 60 days of the notice, the DRC will decide on a resolution of the dispute and notify the parties of the resolution. Decisions of the DRC will be by majority vote.

5. Decisions of the DRC are final. However, the DRC has no authority to approve an amendment to this Agreement.

VII. TERMINATION AND REMEDIES

A. It is the intention of the parties to this Agreement that the County obligation to provide Net Revenues for payment of the Civic Stadium Bonds and the PCPA Bonds will end on July 1, 2026, however, the Convention Center Completion Bonds may be outstanding beyond that date. Therefore, this Agreement will terminate automatically on the earliest of:

1. the date that all of the Bonds are paid or defeased;

2. July 1, 2026, if the Convention Center Completion Bonds have been paid or defeased by that date; or

3. the date that the Convention Center Completion Bonds are paid or defeased if that date is after July 1, 2026.

B. Notwithstanding subsection A of this section, all taxes subject to this agreement that are imposed but not collected by the County on the termination date will be Net Revenues.

C. Before the termination date, this agreement may only be terminated by the agreement in writing of all parties.

D. So long as Bonds are outstanding and this Agreement is in effect, the obligations of the County to maintain the Net Revenues and transfer them to the City to pay the Bonds, as provided in this Agreement, may not be terminated for any reason, including a breach by any party of its obligations under this Agreement.

E. Upon termination of this Agreement, the County will terminate the taxes imposed by MCC 11/301(C) and 11.401(E).

VIII. GENERAL PROVISIONS

A. <u>Maintenance of Records</u>. All parties will maintain records of payments made and funds received under this Agreement and such records are subject to audit and inspection by the other parties.

B. <u>Notice</u>. A notice or communication under this Agreement by a party will be deemed received by the addressee on the earliest to occur of:

1. The date the notice is hand delivered to the Notice Address of the addressee;

2. If the notice is transmitted by telecopy or facsimile to the Fax number of the addressee specified as part of its Notice Address, then:

a) If such notice is transmitted during regular business hours (8:00 a.m. to 5:00 p.m.) on a regular business day, then the notice will be deemed delivered on the date it is transmitted; and

b) If the notice is not transmitted during regular business hours, then the notice will be deemed delivered on the next regular business day.

c) If sent to the Notice Address through the U.S. Postal Service, the notice will be deemed delivered on the third regular business day following the postmarked date.

3. The Notice Address of each party is:

City of Portland
1120 S.W. 5th Avenue
Room 1250
Portland, Oregon 97204
Fax #: 823-5384
Attn: OMF Director
Multnomah County
501 N.E. Hawthorne Blvd.
Portland, Oregon 97214
Fax 988-3292
Attn: Finance Director

Metro
600 N.E. Grand Avenue
Portland, Oregon 97232
Fax 797-1791
Attn: Chief Financial Officer

Notice to the VDFB shall be sent to:

____

4. Any party may change its Notice Address by giving written notice of each of the other parties.

C. Successors and Assigns. This Agreement will bind each party, its successors, assigns and legal representatives. No party, under any condition, may voluntarily assign or transfer it obligations to any third party. Any attempted assignment or transfer will be void.

D. Adherence to Law. The parties will adhere to all applicable federal and state laws in all activities under this Agreement.

E. Waivers. No waiver made by a party with respect to performance, or the manner or time of performance, of any obligation of another party or any condition under this Agreement will be considered a waiver of any other rights of the party making the waiver or a waiver by any other party. No waiver by a party of any provision of this Agreement will be of any force or effect unless in writing and no waiver shall be construed to be a continuing waiver.

F. Time of the Essence. Time is of the essence of this Agreement.

G. Choice of Law and Forum. This Agreement will be construed in accordance with the laws of the State of Oregon and any action brought under this Agreement will be brought in Multnomah County, Oregon.

H. Modification. This Agreement may only be modified by a writing signed by each of the parties. No modification to any provision of this Agreement may be implied from any course of performance, any acquiescence by any Party, any failure of any party to object to another party's performance or failure to perform, or any failure or delay by any party to enforce its rights.

I. Headings. Any titles of the sections of this Agreement are inserted for convenience of reference only and will be disregarded in construing or interpreting its provisions.

J. Counterparts. This Agreement may be executed in counterparts, each treated as an original, and the counterparts will constitute one document.

Dated this ___ day of ____________, 2000.

Approved as to form	CITY OF PORTLAND
____________________	____________________
Linda Meng Chief Deputy City Attorney	Mayor Vera Katz
Approved as to form	MULTNOMAH COUNTY
____________________	____________________
Thomas Sponsler County Counsel	Beverly Stein County Chair
Approved as to form	METRO
____________________	____________________
Daniel B. Cooper Metro Counsel	Mike Burton Executive Officer

ATTACHMENT A

BEFORE THE BOARD OF COUNTY COMMISSIONERS

FOR MULTNOMAH COUNTY, OREGON

ORDINANCE NO. 941

Amending MCC 11.400-11.499, increasing the Transient Lodging Tax for Visitor Facilities

The Multnomah County Board of Commissioners Finds:

a. Ordinance 56 effective July 15, 1972 imposes a 5% transient lodging tax and allocates all revenues to the County general fund.

b. The voters adopted Ordinance 171 effective January 1, 1979 that imposes a 1% surcharge tax dedicated to promote county convention business and tourism.

c. Ordinance 488 effective April 1, 1986 raises the transient lodging tax to 8% from the original 5%. It imposes an additional 3% tax allocated to a Convention and Trade Show Center Special Fund, and authorizes uses for the fund.

d. Ordinance 501 also effective April 1, 1986 defined "lead agency" as the governmental unit with authority to seek voter approval of general obligation bonds that formally declared its intent to build and operate a convention center. It authorized the lead agency to make expenditures from the fund only for construction and operation of the center.

e. Under a June 24, 1986 intergovernmental agreement between the County and Metro, Metro became the lead agency under the County code. The County agreed to pay to Metro the 3% lodging tax revenues, and Metro agreed to spend them for the purposes listed in the County transient lodging tax code.

f. Ordinance 569 effective February 28, 1988 amended the code to permit the lead agency to spend $70,000 from the fund for the 1988 International Association of Chiefs of Police Convention.

g. Ordinance 593 effective October 29, 1988 amended the code to add two exemptions from the tax and other technical changes.

h. Ordinance 790 effective July 16, 1994 amended the code to authorize fund expenditures of $600,000 per year for three years for operation of the Portland Center for the Performing Arts, and $100,000 per year for three years for the Metropolitan Arts Commission. It also changed the definition of lead agency to Metro.

i. Ordinance 811 effective January 26, 1995 amended the code to substitute the Regional Arts and Culture Council for the Metropolitan Arts Commission.

j. Ordinance 845 adopted March 14, 1996 amended the code to permit Metro to spend $9,000,000 for construction of a new exhibit hall at the Portland Exposition Center.

k. Ordinance 870 adopted January 2, 1997 amended the code to rename the fund the Transient Lodging Tax Fund. It defines "facilities" to include the Portland Center for the Performing Art, the Exposition Center, the Civic Stadium and neighborhood arts programs as well as the Oregon Convention Center. It deleted the term "lead agency." Beginning fiscal year 1997-98, it authorizes yearly payments of $3,800,000 to the Oregon Convention Center, $1,200,000 to the Portland Center for the Performing Arts, and $200,000 for cultural tourism. The payments increase for inflation. Also authorized is a yearly payment of up to $200,000 to the Regional Arts and Culture Council. The ordinance provides for review of those amounts by the Board every five years.

l. Ordinance 893 adopted December 18, 1997 amended the code to impose an additional 0.5% transient lodging tax to be allocated to an Oregon Convention Center Completion Fund. This tax did not take effect because in November 1998 voters did not approve general obligation bonds to finance completion of the center.

m. The County has approved a September 14. 1999 Memorandum of Understanding relating to the expansion of the Oregon Convention Center, improvements to the Portland Center for the Performing Arts and Civic Stadium, and enhancements to the county visitor industry. The County has agreed to amend its code to impose a 2.5% surcharge transient lodging tax and a 2.5% surcharge motor vehicle rental tax to fund these activities.

Multnomah County Ordains as follows:

Section 1. MCC §§ 11.402 and 11.421 are repealed and MCC §§ 11.400-11.499 are amended to read as follows:

TRANSIENT LODGINGS TAX

§ 11.400 Definitions.

For the purpose of this subchapter, the following definitions apply unless the context requires a different meaning.

ACCRUAL ACCOUNTING. An accounting method where the operator enters the rent due from a transient on the records when the rent is earned, whether or not it is paid.

ADMINISTRATIVE FEE. The County Trust Account Fee that is the Indirect Flow-Through Rate that is published annually in the County Indirect Cost Rates and Countywide Cost Allocation Plan and charged to internal accounts.

BONDS. Collectively, the Convention Center Completion Bonds, the Civic Stadium Bonds and the Portland Center for Performing Arts (PCPA) Bonds.

CASH ACCOUNTING. An accounting method where the operator does not enter the rent due from a transient on the records until rent is paid.

CIVIC STADIUM BONDS. Bonds or other obligations issued by the City of Portland (City) to fund Civic Stadium improvements in an amount not to exceed $33,000,000 and any bonds issued to refund those bonds.

CONVENTION CENTER COMPLETION BONDS. Bonds or other obligations issued by the City to fund the Convention Center Completion Project in an amount not to exceed $100,000,000 and any bonds issued to refund those bonds.

CONVENTION CENTER COMPLETION PROJECT. The expansion of the Oregon Convention Center (OCC) facilities to include approximately 115,000 square feet of exhibit space, a 35,000 square foot ballroom, 40 meeting rooms, 35,000 square feet of lobby space, a 1,350 space parking garage and 10 loading docks.

CPI. The annual average percent change in the Portland Salem OR-WA CPI-U as issued by the U.S. Department of Labor, Bureau of Labor Statistics for the most recent 12-month calendar year period, or a comparable measure of price change if this index is not available.

CULTURAL TOURISM. A program or programs to attract visitors to the Portland area to attend cultural and recreational events and exhibits.

FACILITIES. The Oregon Convention Center, the Portland Center for the Performing Arts, the Exposition Center, and neighborhood arts programs.

HOTEL. Any structure, or any portion of any structure that is occupied or intended or designed for transient occupancy for 30 days or less for dwelling, lodging, or sleeping purposes, and includes any hotel, inn, tourist home or house, motel, studio hotel, lodginghouse, rooming house, apartment house, public or private dormitory, fraternity, sorority, public or private club, and also includes space in mobile home or trailer parks, or similar structure or space if occupancy is for less than a 30-day period.

NEIGHBORHOOD ARTS. Arts programs aimed at increased community and educational exposure to arts and involvement in artistic endeavors to enhance the quality of life in the region thus increasing tourism and increasing support for cultural programs.

NET REVENUES. The collections (including delinquent interest and penalties) from the 2.5% surcharge transient lodging tax (MCC 11.401(E)), the collections (including delinquent interest and penalties) from the 2.5% surcharge vehicle rental tax (MCC 11.301(C)), and earnings on amounts in the Visitors Fund Trust Account, less the Administrative Fee.

OCCUPANCY. The use or possession, or the right to use or possess for lodging or sleeping purposes any room or rooms in a hotel, or space in a mobile home or trailer park or portion thereof.

OPERATING EXPENSES. The total cost of all labor, benefits, overhead, maintenance, materials and services incurred by the operator or operators of the facilities in encouraging attendance, administering, and operating events held in the facilities and in obtaining events to be held there or as part of the neighborhood arts programs.

OPERATOR. The person who is proprietor of the hotel in any capacity. Where the operator performs functions through a managing agent of any type or character other than an employee, the managing agent will also be considered an operator for the purposes of this subchapter and will have the same duties and liabilities as the principal. Compliance with the provisions of this subchapter by either the principal or the managing agent is compliance by both.

PCPA BONDS. Bonds or other obligations issued by the City to fund capital improvements to the PCPA in an amount not to exceed $2,100,000, and any bonds issued to refund those bonds.

RENT. The consideration charged, whether or not received by the operator, for the occupancy of space in a hotel, valued in money, goods, labor, credits, property or other consideration valued in money, without any deduction.

RENT PACKAGE PLAN. The consideration charged for both food and rent where a single rate is made for the total of both. The amount applicable to rent for determination of transient room tax under this subchapter is the same charge made for rent when not a part of a package plan.

TAX. Either the tax payable by the transient or the aggregate amount of taxes due from an operator during the period for which the operator is required to report collections.

TAX ADMINISTRATOR. The Finance Director of the county.

TRANSIENT. Any individual who exercises occupancy or is entitled to occupancy in a hotel for a period of 30 consecutive calendar days or less, counting portions of calendar days as full days. The day a transient checks out of the hotel will not be included in determining the 30-day period if the transient is not charged rent for that day by the operator. Any such individual occupying space in a hotel will be considered to be a transient until the period of 30 days has expired unless there is an agreement in writing between the operator and the occupant providing for a longer period of occupancy, or the tenancy actually extends more than 30 consecutive days. A person who pays for lodging on a monthly basis, irrespective of the number of days in any month, is not considered transient.

VISITORS FACILITIES TRUST ACCOUNT (VFTA). The excise tax account created by MCC 11.401(E) to receive and disburse Net Revenues as provided in the Visitor Facilities Intergovernmental Agreement.

§ 11.401 Tax Imposed.

(A) For the privilege of occupancy in any hotel in the county, each transient shall pay a tax of *11.5%* of the rent charged by the operator. The tax constitutes a debt owed by the transient to the county that is extinguished only by payment by the operator to the county. The transient will pay the tax to the operator of the hotel at the time the rent is paid. The operator will record the tax when rent is collected if the operator keeps records on the cash accounting basis, and when earned if the operator keeps records on the accrual accounting basis. If rent is paid in installments, the transient will pay a proportionate share of the tax to the operator with each installment. In all cases the rent paid or charged for occupancy will exclude the sale of any goods, services and commodities, other than the furnishing of rooms, accommodations and space occupancy in mobile home parks or trailer parks. After deductions for administration costs and any refunds or credits authorized by this subchapter the proceeds of the tax will be allocated as provided for in subsections (A), (B), (C), (D) and (E) of this section.

(B) The base rate of the tax imposed by subsection (A) is equal to 5%. It will be allocated to the county general fund, and is available for general fund expenditures.

(C) A surcharge rate of the tax imposed by subsection (A) is equal to 1% and will be used exclusively for contracting with private organizations for the promotion, solicitation, procurement and service of county convention business and tourism.

(D) A surcharge rate of the tax imposed by subsection (A) is equal to 3% and will be allocated to the Excise Tax Fund.

(1) Before paying the tax imposed by subsection (D), as required by § 11.407, the operator may deduct an amount equal to 5% of that portion of the tax that is allocated to the Excise Tax Fund. This 5% may be retained by the operator as reimbursement for the operator's expenses in collecting the tax.

(2) The county will pay from the proceeds of the tax that is allocated to the Excise Tax Fund:

(a) To Metro, for the operation of the Oregon Convention Center, $3,800,000 in fiscal year 1997-98 and, in each fiscal year thereafter, that amount plus annual percentage increases equal to the greater of the change in the CPI or the overall change in the proceeds of the tax. If the overall increase in the proceeds of the tax in any given year exceeds 7%, any additional funds beyond the 7% increase will be allocated as specified in subsection (e) of subsection (D). ***Metro may also utilize the proceeds to pay debt service on Bonds issued for the purpose of making capital improvements to the Oregon Convention Center.***

(b) To the government entity responsible for the operation of the Portland Center for the Performing Arts, $1,200,000 in fiscal year 1997-98 and, in each fiscal year thereafter, that amount plus annual percentage increases equal to the lesser of the change in the CPI or the overall change in the proceeds of the tax.

(c) To the government entity responsible for operating the Portland Center for the Performing Arts for a program or programs for cultural tourism, to be administered through a contract with the Portland Oregon Visitor's Association, and in collaboration with the Regional Arts and Culture Council, $200,000 in fiscal year 1997-98 and, in each fiscal year thereafter, that amount plus annual percentage increases equal to the lesser of the change in the CPI or the overall change in the proceeds of the tax;

(d) To the Regional Arts and Culture Council, any remaining balance up to $200,000 of the proceeds of the tax after the payments in subsections (a) through (c) are made, to be allocated as follows:

1. $100,000 for neighborhood arts;

2. $100,000 to broaden participation in and visitors to the region's cultural and artistic assets by residents of outlying areas of the greater Portland metropolitan region.

(e) To Metro for any remaining balance of the proceeds from the tax after the payments in subsections (a) through (e) are made will be allocated towards replacement, renewal, expansion, and other capital needs of the facilities managed by Metro, on an as-needed basis to be determined by Metro.

(3) Earnings on proceeds allocated to the Excise Tax Fund will be credited to the Excise Tax Fund.

(4) The amounts specified in subsection (2) above are subject to review by the Board every five years.

(5) The tax imposed by subsection (D) is separate and independent of the tax imposed by subsection (C). Nothing in this subsection (D) modifies the 1% tax provided for by subsection (C).

(E) A surcharge rate of the tax imposed by subsection (A) is equal to 2.5% and will be allocated to the VFTA that is separate from the Excise Tax Fund. This 2.5% surcharge will terminate if the 2.5% motor vehicle rental tax surcharge imposed by MCC 11.301(C) is terminated before issuance of the Bonds.

(1) Before paying the tax imposed by subsection (E) as required by § 11.407, the operator may deduct an amount equal to 5% of the portion of the tax allocated to VFTA. This 5% may be retained by the operator as reimbursement for expenses for collecting the tax.

(2) The tax imposed by subsection (E) is separate and independent of the tax imposed by subsections (C) and (D). Nothing in this subsection modifies the taxes imposed by subsections (C) and (D).

(3) In addition to imposing a tax, this subsection (E) specifically authorizes the Board under Home Rule authority to enter into an intergovernmental agreement with the

City, pledging the County to maintain the tax surcharge to pay the Bonds and other obligations of this subsection (E). Any pledge of tax revenues in such an intergovernmental agreement is binding under ORS 288.594 from April 1, 2000, and as long as the Bonds set out in subsection (E) are outstanding.

(4) Taxes imposed by subsection (E) will be allocated in the following order of priority:

(a) First, to the City in the amount required to pay debt service on the Convention Center Completion Bonds;

(b) Second, to the City in the amount required to pay debt service on the PCPA Bonds;

(c) Third, to the City in the amount, if any, required to pay the remaining debt service on Civic Stadium Bonds after application of Civic Stadium Revenues;

(d) Fourth, to Metro in the amount, if any, required to pay reasonable operating, capital repair and maintenance cost of the OCC in excess of revenues collected by the OCC and the tax received by Metro from subsection (D);

(e) Fifth, to Tri-County Metropolitan Transportation District (Tri-Met), $300,000 in the fiscal year 2000-01, increased each subsequent fiscal year by the CPI, for costs of extending the fareless square to the Lloyd Center Max station;

(f) Sixth, to the Visitor Development Fund (VDF), $250,000 in the fiscal year 2000-01, $500,000 in fiscal year 2001-02, increased each subsequent fiscal year by the CPI, to attract visitors to the county and City that maximize hotel occupancy and vehicle rentals;

(g) Seventh, to Metro for the operator of the PCPA, $500,000 each fiscal year, increased by the CPI, for costs of PCPA operations;

(h) Eighth, to Metro to pay OCC operating deficits in excess of $8,840,000 that accumulate during the first six fiscal years (2000-01 through2005-06) after the effective date of the tax imposed by subsection (E);

(i) Ninth, to a revenue stabilization subaccount sufficient to pay subsection (a) through (h) disbursements for at least one fiscal year, and that may be used to redeem or defease Convention Center Completion Bonds and PCPA Bonds.

(j) Tenth, any subsection (E) taxes remaining after the (a) through (h) payments including subaccounts may be spent according to budgets proposed by the Visitor Development Board.

§ 11.403 **Collection of Tax by Operator.**

(A) Every operator renting rooms or space for lodging or sleeping purposes in this county, the occupancy of which is not exempted under the terms of this subchapter, must collect a tax from the occupant. The tax collected or accrued by the operator constitutes a debt owing by the operator to the county.

(B) In all cases of credit or deferred payment of rent, the payment of tax to the operator may be deferred until the rent is paid, and the operator will not be liable for the tax until credits are paid or deferred payments are made. Adjustments may be made for uncollectable taxes.

(C) The tax administrator will enforce provisions of this subchapter and has the power to adopt rules consistent with this subchapter that aid enforcement.

(D) For rent collected on portions of a dollar, fractions of a penny of tax will not be remitted.

§ 11.404 Operator's Duties.

Each operator must collect the tax imposed by this subchapter at the same time the rent is collected from each transient. The amount of tax must be separately stated upon the operator's records and any receipt rendered by the operator. No operator of a hotel will advertise that the tax or any part of the tax will be assumed or absorbed by the operator, or that it will not be added to the rent, or that, when added, any part will be refunded, except as provided by this subchapter.

§ 11.405 Exemptions.

No tax imposed by this subchapter will be collected from:

(A) Any occupant for more than 30 successive calendar days;

(B) Any person who pays for lodging on a monthly basis, irrespective of the number of days in any month;

(C) Any occupant whose rent is of a value less than $2 per day;

(D) Any person who rents a private home, vacation cabin or similar facility from any owner who rents the facility incidentally to the owner's own use of it;

(E) Any federal government employee renting a room for official governmental business; or

(F) Any persons renting and occupying a space in a recreational vehicle park or campground.

§ 11.406 Registration Of Operator; Certification Of Authority.

(A) Every person engaging or about to engage in business as an operator of a hotel in the county must register with the tax administrator on a form provided by the administrator. Operators starting businesses must register within 15 calendar days after commencing business.

(B) The privilege of registration after the date of imposition of the transient lodgings tax will not relieve any person from the obligation of payment or collection of tax regardless of registration.

(C) Registration must set forth the name under which an operator transacts or intends to transact business, the location of place or places of business and such other information as the tax administrator may require to facilitate the collection of the tax. The operator must sign the registration.

(D) The tax administrator will, within ten days after registration, issue without charge a certificate of authority to each registrant to collect the tax from the occupant, with a duplicate for each additional place of business of each registrant.

(E) Certificates are not assignable or transferable and must be surrendered immediately to the tax administrator upon the cessation of business at the location named or upon its sale or transfer.

(F) Each certificate and duplicate will state the place of business to which it is applicable and must be prominently displayed to be seen and come to the notice readily of all occupants and persons seeking occupancy.

(G) The certificate will, among other things, state the following:

(1) The name of the operator;

(2) The address of the hotel;

(3) The date upon which the certificate was issued; and

(4) A notice reading as follows:

This Transient Occupancy Registration Certificate signifies that the person named has fulfilled the requirements of the Transient Lodgings Tax Ordinance of Multnomah County, Oregon, by the registration with the tax administrator to collect from transients the county lodgings tax. This certificate does not authorize any person to conduct any business or operate a hotel without strictly complying with all applicable laws, including those requiring any other county permit. This certificate is not a permit.

§ 11.407 Due Date; Returns And Payments.

(A) The transient must pay the tax imposed by this subchapter to the operator at the time that the rent is paid. All taxes collected by any operator are due and payable to the tax administrator on a quarterly basis on the fifteenth day of the following month for the preceding three months, and are delinquent on the last day of the month in which they are due. The tax administrator has authority to classify or district the operators for determination of applicable tax periods, and will notify each operator of the due and delinquent dates for the operator's returns. The initial return under this subchapter may be for less than the three months preceding the due date. Thereafter, returns must be made for the applicable quarterly period.

(B) On or before the fifteenth day of the month following each quarter of collection, a return for the preceding quarter's tax collections must be filed with the tax administrator. The return must be filed in such form as the tax administrator may prescribe by every operator liable for payment of tax.

(C) Returns must show the amount of tax collected or otherwise due for the period. The tax administrator may require returns to show the total rentals upon which tax was collected or otherwise due, the gross receipts of the operator for the period, and an explanation of any discrepancy between those amounts and the rents exempt, if any.

(D) The person required to file the return must deliver the return, together with the remittance of the amount of the tax due, to the tax administrator, either by personal delivery or by mail. If the return is mailed, the postmark will be considered the date of delivery for determining delinquencies.

(E) For good cause, the tax administrator may extend for up to one month the time for making any return or payment of tax. No further extension will be granted. Any operator to whom an extension is granted must pay interest at the rate of 1% per month on the amount of tax due without proration for a fraction of a month. If a return is not filed and the tax and interest due is not paid by the end of the extension granted, the interest will become part of the tax for computation of penalties described in § 11.420.

(F) If the tax administrator considers it necessary to insure payment or facilitate collection by the county of the amount of taxes in any individual case, the tax administrator may require returns and payment of the amount of taxes for other than quarterly periods.

§ 11.408 Tax Deficiency Determination.

(A) The tax administrator may compute and determine the amount required to be paid upon the facts contained in the return, or other information. One or more deficiency determinations may be made of the amount due for one, or more than one period. The amount so determined is due and payable immediately upon service of notice, after which the amount determined is delinquent. Penalties on deficiencies will be applied under § 11.420.

(B) In making a determination, the tax administrator may offset overpayments for previous periods, against any underpayment for subsequent periods, or against penalties and interest on the underpayments. The interest on underpayments will be computed under § 11.420.

(C) The tax administrator will give to the operator or occupant a written notice. The notice may be served personally or by mail. If by mail, the notice will be addressed to the operator as it appears on the records of the tax administrator. In case of service by mail of any notice required by this subchapter, the service is complete at the time of deposit in the United States post office.

(D) Except in the case of fraud or intent to evade this subchapter or applicable rules, every deficiency determination will be made and notice mailed within three years after the last day of the month following the close of the quarterly period for which the amount is proposed to be determined, or within three years after the return is filed, whichever period expires later.

(E) Any determination will become due and payable immediately upon receipt of notice and becomes final within ten days after the tax administrator has given notice. The operator may petition for redetermination if the petition is filed before the determination becomes final.

§ 11.409 Fraud; Refusal To Collect; Evasion.

If any operator fails or refuses to collect the tax or to make within the time provided in this subchapter any report and remittance of the tax required by this subchapter, or makes a fraudulent return or otherwise willfully attempts to evade this subchapter, the tax administrator will obtain facts and information for an estimate of the tax due. The tax administrator will determine and assess against the operator the tax, interest and penalties provided by this subchapter. The tax administrator will give a notice as provided in § 11.408 of the amount assessed. The determination and notice will be made and mailed within three years after discovery by the tax administrator of any fraud, intent to evade or failure or refusal to collect the tax, or failure to file a return. Any determination becomes due and payable immediately upon receipt of notice and becomes final within ten days after the tax administrator has given notice. The operator may petition for redemption and refund if the petition is filed before the determination becomes final.

§ 11.410 Operator Delay.

If the tax administrator believes that the collection of any tax required to be collected and paid to the county will be jeopardized by delay, or if any determination will be jeopardized by delay, the tax administrator may determine the amount of tax required to be collected. The amount so determined will be immediately due and payable, and the operator must immediately pay the determination to the tax administrator after service of notice. The operator may petition, after payment has been made, for redemption and refund of the determination, if the petition is filed within ten days from the date of service of notice by the tax administrator.

§ 11.411 Redeterminations.

(A) Any person against whom a determination is made under §§ 11.408 through 11.410 or any person directly interested may petition for a redetermination within the time required in §§ 11.408 through 11.410. If a petition for redetermination is not filed within that time, the determination becomes final at the expiration of the allowable time.

(B) If a petition for redetermination is filed within the allowable period, the tax administrator will reconsider the determination, and, if the petition requests, grant an oral hearing and give ten days' notice of the time and place of the hearing. The tax administrator may continue the hearing from time to time as may be necessary.

(C) The tax administrator may decrease or increase the amount of the determination because of the hearing and if an increase is determined the increase will be payable immediately after the hearing.

(D) The order or decision of the tax administrator upon a petition for redetermination becomes final ten days after service upon the petitioner of notice, unless appeal of the order or decision is filed with the tax administrator within the ten days after service of notice.

(E) No petition for redetermination or appeal will be effective for any purpose unless the operator has first complied with the payment provisions of this subchapter.

§ 11.412 Security For Collection Of Tax.

(A) The tax administrator may require any operator to deposit security in the form of cash, bond or other security as the tax administrator may determine. The amount of the security will be fixed by the tax administrator but will not be greater than twice the operator's estimated average quarterly liability for the period, determined as the tax administrator considers proper, or $5,000, whichever is less. The amount of the security may be increased or decreased by the tax administrator subject to the limitations of this subsection.

(B) At any time within three years after any tax required to be collected becomes due and payable or at any time within three years after any determination becomes final, the tax administrator may bring an action in the courts of this state, or any other state, or of the United States in the name of the county to collect the amount delinquent together with penalties and interest.

§ 11.413 Records Maintained By Operator; Administrator Examination.

(A) Every operator must keep guest records of room sales and accounting books and records of the room sales. The operator must retain all records for a period of three years and six months after they are created.

(B) The tax administrator may examine during normal business hours the books, papers and accounting records relating to room sales of any operator, after notification to the operator liable for the tax. The tax administrator may investigate the business of the operator in order to verify the accuracy of any return made, or if the operator makes no return, to ascertain and determine the amount required to be paid.

§ 11.414 Confidential Character Of Information; Disclosure Prohibited.

It is unlawful for the tax administrator or any person having an administrative or clerical duty under this subchapter to make known in any manner the business affairs, operations or information obtained by an investigation of records and equipment of any person required to obtain a transient occupancy registration certificate or pay a transient occupancy tax, or the amount or source of income, profits, losses, expenditures or to permit any statement, application, or other private record to be seen or examined by any person. Nothing in this section will prevent:

(A) The disclosure to, or the examination of records and equipment to another county official, employee or agent for collection of taxes for the purpose of administering or enforcing this subchapter, including the collection of taxes.

(B) The disclosure, after the filing of a written request to that effect, to the taxpayer, receivers, trustees, executors, administrators, assignees and guarantors, if directly interested, of information as to any paid tax, any unpaid tax or amount of tax required to be collected, or interest, and penalties. The District Attorney must approve each disclosure and the tax administrator may refuse to make any disclosure when the public interest would suffer.

(C) The disclosure of the names and addresses of any persons to whom transient occupancy registration certificates have been issued.

(D) The disclosure of general statistics regarding taxes collected or business activity.

§ 11.415 Appeals To Board.

Any person aggrieved by any decision of the tax administrator may appeal to the Board by filing a notice of appeal with the tax administrator within ten days of the serving or the mailing of the notice of the decision given by the tax administrator. The tax administrator will transmit the notice of appeal, together with the file of the appealed matter to the Chair, who will fix a time and place for hearing the appeal from the decision. The Chair will give the appellant not less than ten days' prior written notice of the time and place of hearing on the appealed matter.

§ 11.416 Refunds By County To Operator.

When any tax, penalty or interest is erroneously paid, it may be refunded. A verified claim in writing, stating the specific reason for the claim must be filed with the tax administrator within three years from the date of payment. The claim must be made on forms provided by the tax administrator. If the tax administrator approves the claim, the excess amount collected or paid may be refunded or may be credited on any amounts then due from the operator and the balance may be refunded to the operator.

§ 11.417 Refunds By County To Transient.

When the tax required by this subchapter is collected by the operator and deposited with the tax administrator and is later determined erroneously paid, it may be refunded by the tax administrator to the transient. A verified claim in writing, stating the specific reason for the claim must be filed with the tax administrator within three years from the date of payment.

§ 11.418 Refunds By Operator To Tenant.

When the tax required by this subchapter is collected by the operator and it is later determined that the tenant occupies the hotel for a period exceeding 30 days without interruption, the operator must refund to the tenant the tax collected. . The operator must account for the collection and refund to the tax administrator. If the operator remits the tax before refund or credit to the tenant, the operator is entitled to a corresponding refund under § 11.416.

§ 11.419 **Credit Against City Tax.**

(A) Any person subject to the payment or collection of the 11.401(B) 5% base tax and the 11.401(C) 1% surcharge is entitled to a credit against the payment of the tax in the amount due any city within the county for a transient lodgings tax for the same occupancy.

(B) No person subject to the surcharge taxes imposed by 11.401(D) and 11.401(E) is entitled to a credit against the payment of those taxes. The 3% surcharge imposed by 11.401(D) and the 2.5% surcharge imposed by 11.401(E) are due and payable in accordance with this subchapter regardless of the amount due any city within the county for a transient lodging tax for the same occupancy made taxable under this subchapter.

§ 11.420 **Delinquency And Interest.**

(A) Any operator who has not been granted an extension of time for remittance of tax due and who fails to remit any tax imposed by this subchapter prior to delinquency must pay a penalty of 10% of the amount of the tax due in addition to the amount of the tax.

(B) Any operator who has not been granted an extension of time for remittance of tax due and who fails to pay any delinquent remittance on or before a period of 30 days following the date on which the remittance first became delinquent must pay a second delinquency penalty of 15% of the amount of the tax due plus the amount of the tax and the 10% penalty first imposed.

(C) If the tax administrator determines that the nonpayment of any remittance due under this subchapter is due to fraud or intent to evade, a penalty of 25% of the amount of the tax will be added to the penalties stated in divisions (A) and (B) of this section.

(D) In addition to the penalties imposed, any operator who fails to remit any tax imposed by this subchapter must pay interest at the rate of 0.5% per month or fraction thereof without proration for portions of a month, on the amount of the tax due, exclusive of penalties, from the date the remittance first became delinquent until paid.

(E) Every penalty imposed and interest under this section is merged with and becomes part of the tax required to be paid.

(F) Any operator who fails to remit the tax levied within the time required by this subchapter must pay the penalties. However, the operator may petition the tax administrator for waiver and refund of the penalty or any portion thereof and the tax administrator may, if a good and sufficient reason is shown, waive and direct a refund of the penalty or any portion thereof.

§ 11.499 Penalty.

Any operator or other person who fails to register as required by this subchapter, or who fails to furnish any return, supplemental return or other data required by this subchapter or by the tax administrator, or, with intent to defeat or evade the determination or any amount due under this subchapter, makes, renders, signs or verifies any false or fraudulent report, commits an offense that is a violation of this subchapter punishable by fine in an amount to be fixed by the court, not exceeding $500.

Section 2. This ordinance is effective on April 1, 2000.

FIRST READING: February 3, 2000

SECOND READING AND ADOPTION: February 17, 2000

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Beverly Stein, Chair

REVIEWED:

Thomas Sponsler, County Counsel
For Multnomah County, Oregon

Thomas Sponsler

ATTACHMENT B

BEFORE THE BOARD OF COUNTY COMMISSIONERS

FOR MULTNOMAH COUNTY, OREGON

ORDINANCE NO. 942

Amending MCC 11.300-11.305, increasing the Motor Vehicle Rental Tax for Visitor Facilities

The Multnomah County Board of Commissioners Finds:

a. Ordinance 122 imposed a 10% car rental tax effective July 1, 1976. All revenues go to the general fund.

b. Ordinance 407 adopted December 22, 1983 amended definitions and increased the required license fee from $2 to $15.

c. Ordinance 417 effective May 1, 1984 repealed subsections to avoid possible application to transactions outside of the county.

d. Ordinance 519 adopted June 19, 1986 amended the definition of "director."

e. Ordinance 627 adopted August 17, 1989 amended code to exempt replacement vehicle rental by "residents."

f. Ordinance 849 adopted April 11, 1996 amended code to implement County Auditor suggestions to improve administration of the tax.

g. Ordinance 934 adopted July 29, 1999 amended the code to exempt vehicles rented from "car sharing organizations."

h. The County has approved a Memorandum of Understanding relating to the expansion of the Oregon Convention Center, improvements to the Portland Center for the Performing Art and Civic Stadium, and enhancements to the county visitor industry. The County has agreed to amend its code to increase the motor vehicle rental tax and the transient lodging tax to partially fund these activities.

Multnomah County Ordains as follows:

Section 1. MCC §§ 11.300-11.305 are amended to read as follows:

MOTOR VEHICLE RENTAL TAX

§ 11.300 **Definitions.**

For the purpose of this subchapter, the following definitions apply unless the context requires a different meaning.

CAR SHARING ORGANIZATION. A profit or non-profit organization with membership requirements that provides the use of motor vehicles exclusively to its members for a fee.

COMMERCIAL ESTABLISHMENT. Any person or other entity, any part of whose business consists of providing the use of motor vehicles for a rental fee.

DIRECTOR. The Finance Director of the county.

DOING BUSINESS IN THE COUNTY. Any of the following conduct by a commercial establishment whose business address is within or outside the county:

(1) Delivery of a rented vehicle to a location within the county for use by a person within the county; or

(2) Presenting for execution within the county by any person a car rental agreement.

EXEMPTION AREA. Multnomah, Washington and Clackamas Counties.

MOTOR VEHICLE. Without limitation, automobiles, trucks having a manufacturer's gross vehicle weight not exceeding 24,000 pounds, motor homes, motorcycles, pickup campers and any motorized passenger vehicles designed to carry fewer than ten persons, which are capable of being used on the highways of the state.

PARITY OBLIGATIONS. County bonds or obligations up to $8,5000,000 in aggregate principal amount that pledge motor vehicle rental tax on a parity with the Regional Children's Campus Bonds, and any bonds or obligations issued to the refund Regional Children's Campus Bonds.

REGIONAL CHILDREN'S CAMPUS (RCC) BONDS. County Revenue Bonds, Series 1998 (Regional Children's Campus, Inc.) that are dated October 1, 1998.

RENTAL FEE. The gross fee and charges, whatever the basis of their calculation, paid to a commercial establishment by any person for the rental of a motor vehicle.

RENTAL or *RENTING*. Obtaining in the county the use of a motor vehicle from a commercial establishment in the county for a rental fee, and includes all services, supplies and commodities furnished by the commercial establishment in connection with providing the use of the vehicle, but does not include leasing or other transactions where title of a motor vehicle is permanently or temporarily transferred from the commercial establishment to any other person or entity.

§ 11.301 Imposition of Tax.

(A) A tax is imposed on every person renting a motor vehicle from a commercial establishment doing business in the county, if the rental is for a period of 30 days or less. A rental must have a duration of 30 days or less if the actual possession or use by the person renting the vehicle terminates not later than the end of a 30-day period or if any contract governing the rental has a duration of 30 days or less.

(B) The base rate of the tax imposed by subsection (A) is equal to 10% of the rental fee charged by the commercial establishment for the rental.

(C) The surcharge rate of the tax imposed by subsection (A) is equal to 2.5% of the rental fee charged by the commercial establishment for the rental. This 2.5% surcharge will terminate if the 2.5% transient lodging tax imposed by MCC 11.401(E) is terminated before the issuance of the bonds defined in MCC 11.400.

(D) If, with respect to any rental fee, the tax imposed under this section does not equal an amount calculable to a whole cent, the commercial establishment must charge a tax equal to the next highest whole cent. However, the amount remitted to the Director by the commercial establishment for each quarter must equal *12.5%* of the total rental fees collected by the commercial establishment during the quarter.

§ 11.302 Collection of Tax; Remittance Records; Tax as Debt.

(A) The commercial establishment must collect the tax imposed by § 11.301 at the time it collects a rental fee.

(B) On or before the last business day of January, April, July and October of each year, each commercial establishment must remit to the Director all taxes collected during the preceding calendar quarter. The remittance must be accompanied by a report showing:

(1) The amount of the rental fees collected by the commercial establishment during the preceding quarter;

(2) The amount, if any, of those rental fees that is attributable to and identified on the records or billings of the commercial establishment for gasoline sales;

(3) Such further information as the Director may prescribe;

(C) The report and all such additional information as required from the commercial establishment accompanying remittance of the collected tax is exempt from public disclosure and remains confidential in the possession of the Director.

(D) All commercial establishments must maintain accurate records of rental fees assessed and of taxes collected, and such records are subject to review, inspection and audit within the county by the Director or the director's designee at all reasonable times.

(E) The commercial establishment that rents a vehicle in the county is responsible for remittance of the tax, based on the total rental fee, wherever collected, as well as maintenance of the appropriate records of the fees.

(F) The tax imposed by § 11.301 is a debt owed by the commercial establishment to the county until remitted under this section.

§ 11.303 Tax Evasion Or Deficiency Determination.

(A) If the Director determines that the report required in § 11.302(B) has not been filed or is incorrect, the Director may compute and determine the amount required to be paid upon the basis of the facts contained in any report or reports, or upon the basis of any available information. One or more deficiency or evasion determinations may be made of the amount due for one or more than one period. The amount so determined is due and payable immediately upon service of notice, after which the amount determined is delinquent. Penalties on deficiencies will be applied under § 11.399.

(B) In making a determination, the Director may offset any overpayments previously made for a period or periods, against any underpayment for a subsequent period or periods, or against penalties and interest on the underpayments. Interest on underpayments will accrue at the rate of one percent per month pro rata from the date the tax became delinquent until the date paid.

(C) The Director will give written determination notice to the commercial establishment, served personally or by certified mail. If mail service is employed, service is deemed made upon mailing.

(D) Except where fraud or intent to evade this subchapter exists, every deficiency determination must be made and notice given within three years after the last day of the month following the close of the quarterly reporting period for which the amount is proposed to be determined, or within three years after the report reflecting an underpayment is filed, whichever period expires later.

§ 11.304 Use of Taxes.

(A) The 10% base taxes collected under this subchapter are general fund revenues of the county, except that the portion of taxes attributable to gasoline sales are subject to the limitations on use prescribed by the constitution and laws of the state.

(B) The base taxes, and to the extent necessary also surcharge taxes, will be used by the County to pay any debt service on the RCC Bonds and any Parity Obligations. All 2.5% surcharge taxes collected under this subchapter not needed for that purpose will be deposited in the Visitors Facilities Trust Account (VFTA) created by 11.401(E) and allocated as provided by 11.401(E)(4). The Board is authorized under Home Rule authority to enter an intergovernmental agreement with the City of Portland to pledge the County to maintain this surcharge to pay the bonds and other obligations identified in 11.401(E). Such pledge is binding under ORS 288.594 from April 1, 2000 as long as the 11.401(E) bonds are outstanding.

§ 11.305 Exemptions.

The tax imposed by 11.301 is not applicable to:

(A) A rental fee that state or federal law exempts from the tax.

(B) A rental fee for a motor vehicle used for official governmental business by an employee of the federal government.

(C) A motor vehicle rented by a resident of the exemption area to temporarily replace a vehicle being repaired or serviced.

(D) A motor vehicle rented in the county by a member of a car sharing organization who is a resident of the exemption area

Section 2. This ordinance is effective April 1, 2000.

FIRST READING: February 3, 2000

SECOND READING AND ADOPTION: February 17, 2000

SEAL OF THE BOARD OF COUNTY COMMISSIONERS OF MULTNOMAH COUNTY OREGON

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Beverly Stein, Chair

REVIEWED:
Thomas Sponsler, County Counsel
For Multnomah County, Oregon

ATTACHMENT D

OCC OPERATING DEFICIT PAYMENTS

Year	Amount
2001	5,740,000
2002	600,000
2003	950,000
2004	1,000,000
2005	250,000
2006	300,000

ATTACHMENT E

The documents that will implement the Memorandum of Understanding dated September 14, 1999, are:

1. The Visitor Facilities Intergovernmental Agreement.

2. The County Ordinance 941 to add Section 11.401(E) and make other amendments to its transient lodgings tax.

3. The County Ordinance 942 to add Section 11.301(C) and make other amendments to its vehicle rental tax.

4. The Agreement between the governmental parties and the Visitor Development Board.

5. The Articles of Incorporation of the Visitor Development Board.

6. The disbursement agreement between the City and Metro regarding the Portland Development Commission funds.

7. The intergovernmental agreement between the City and Metro regarding the City's obligation to provide operating and capital support to PCPA.

8. The intergovernmental agreement between the City and Tri-Met regarding the extension of Fareless Square to the Lloyd Center Max station.

9. The intergovernmental agreement between the County and Metro regarding County support of the Oregon Convention Center.

10. The intergovernmental agreement between the City and County regarding collection of the transient lodgings tax.

11. The amendment of the intergovernmental agreement between the City and Metro regarding operation of Civic Stadium.
12. The disbursement agreement between the City and Metro regarding the PCPA Bonds.

ATTACHMENT F
VISITOR DEVELOPMENT INITIATIVE CASHFLOW PROJECTIONS
Modified January 2000 Projections

Convention Center opens June 2003

1	2	3	4	5	6	7	8	9	10	11	12
			NET REVENUES					MOU #1		MOU #2:	
Fiscal Year Ending	Est. Portland Salem OR-WA CPI-U "CPI"	TM Tax Annual Growth Rate	2.5% Surcharge Transient Lodgings Tax (MCC 11.401(E))	TM Tax Handling Fee (Withheld) 5%	2.5% Surcharge Vehicle Rental Tax (MCC 11.301(C))	TOTAL NET REVENUES	TRUST ADMIN. FEE TO COUNTY	CONV CENTER LTRB Debt Service: Issued Jan 2001	Net After Convention Center Debt	PCPA Capital Improvements Debt, Issued Jan 2001	Net After PCPA Debt
VALUES								*Term Mixed*		Debt	
SOURCE			*MULT CO*		*MULT CO*			*Mix DIBS/Sers*			
				5.00%			*0.7%*	*TAX EXEMPT*			
2001	3.30%	3.00%	5,715,673	(285,784)	3,028,615	8,458,504	(59,210)	(1,596,046)	6,803,249		6,803,249
2002	3.30%	3.00%	5,887,143	(294,357)	3,131,891	8,724,676	(61,073)	(4,256,122)	4,407,482	(211,191)	4,196,291
2003	3.30%	4.00%	6,122,628	(306,131)	3,238,688	9,055,185	(63,386)	(4,256,122)	4,735,677	(211,191)	4,524,486
2004	3.30%	4.00%	6,367,534	(318,377)	3,349,127	9,398,284	(65,788)	(4,256,122)	5,076,374	(211,191)	4,865,184
2005	3.30%	5.00%	6,685,910	(334,296)	3,463,333	9,814,947	(68,705)	(5,641,725)	4,104,517	(211,191)	3,893,327
2006	3.30%	4.00%	6,953,347	(347,667)	3,581,432	10,187,112	(71,310)	(6,036,725)	4,079,077	(211,191)	3,867,886
2007	3.30%	4.00%	7,231,481	(361,574)	3,703,559	10,573,466	(74,014)	(6,656,725)	3,842,726	(211,191)	3,631,535
2008	3.30%	4.00%	7,520,740	(376,037)	3,829,850	10,974,553	(76,822)	(6,111,725)	4,786,006	(211,191)	4,574,815
2009	3.30%	4.00%	7,821,569	(391,078)	3,960,448	11,390,939	(79,737)	(6,481,725)	4,829,477	(211,191)	4,618,286
2010	3.30%	4.00%	8,134,432	(406,722)	4,095,500	11,823,210	(82,762)	(6,866,725)	4,873,722	(211,191)	4,662,532
2011	3.30%	4.00%	8,459,809	(422,990)	4,235,156	12,271,975	(85,904)	(7,256,725)	4,929,346	(211,191)	4,718,155
2012	3.30%	4.00%	8,798,202	(439,910)	4,379,575	12,737,867	(89,165)	(7,666,725)	4,981,976	(211,191)	4,770,785
2013	3.30%	4.00%	9,150,130	(457,506)	4,528,918	13,221,542	(92,551)	(8,101,725)	5,027,266	(211,191)	4,816,075
2014	3.30%	4.00%	9,516,135	(475,807)	4,683,355	13,723,683	(96,066)	(8,536,725)	5,090,892	(211,191)	4,879,701
2015	3.30%	4.00%	9,896,780	(494,839)	4,843,057	14,244,998	(99,715)	(8,916,725)	5,228,558	(211,191)	5,017,367
2016	3.30%	4.00%	10,292,652	(514,633)	5,008,205	14,786,224	(103,504)	(9,316,725)	5,365,996	(211,191)	5,154,805
2017	3.30%	4.00%	10,704,358	(535,218)	5,178,985	15,348,125	(107,437)	(9,816,725)	5,423,963	(211,191)	5,212,772
2018	3.30%	4.00%	11,132,532	(556,627)	5,355,588	15,931,494	(111,520)	(10,216,725)	5,603,248	(211,191)	5,392,057
2019	3.30%	4.00%	11,577,833	(578,892)	5,538,214	16,537,156	(115,760)	(10,416,725)	6,004,670	(211,191)	5,793,479
2020	3.30%	4.00%	12,040,947	(602,047)	5,727,067	17,165,966	(120,162)	(10,616,725)	6,429,079	(211,191)	6,217,888
2021	3.30%	4.00%	12,522,585	(626,129)	5,922,360	17,818,815	(124,732)	(10,816,725)	6,877,358	(211,191)	6,666,168
2022	3.30%	4.00%	13,023,488	(651,174)	6,124,312	18,496,626	(129,476)	(11,016,725)	7,350,424		7,350,424
2023	3.30%	4.00%	13,544,427	(677,221)	6,333,152	19,200,358	(134,403)	(11,216,725)	7,849,230		7,849,230
2024	3.30%	4.00%	14,086,205	(704,310)	6,549,112	19,931,006	(139,517)	(11,616,725)	8,174,764		8,174,764
2025	3.30%	4.00%	14,649,653	(732,483)	6,772,437	20,689,607	(144,827)	(11,716,725)	8,828,054		8,828,054
2026	3.30%	4.00%	15,235,639	(761,782)	7,003,377	21,477,234	(150,341)	(5,641,725)	15,685,168		15,685,168
2027	3.30%	4.00%	15,845,064	(792,253)	7,242,192	22,295,003	(156,065)	(5,641,725)	16,497,213		16,497,213
2028	3.30%	4.00%	16,478,867	(823,943)	7,489,151	23,144,074	(162,009)	(5,641,725)	17,340,341		17,340,341
2029	3.30%	4.00%	17,138,022	(856,901)	7,744,531	24,025,651	(168,180)	(5,641,725)	18,215,747		18,215,747
2030	3.30%	4.00%	17,823,543	(891,177)	8,008,619	24,940,985	(174,587)	(5,641,725)	19,124,673		19,124,673
			320,357,326	(16,017,866)	154,049,805	458,389,265	(3,208,725)	(227,614,265)		(4,223,819)	

ATTACHMENT F
VISITOR DEVELOPMENT INITIATIVE CASHFLOW PROJECTIONS
Modified January 2000 Projections

NR = Net Rev

1	13	14	15	16	17	18	19	20	21	22	23	24	25
	MOU #3					MOU #4							MOU #5
Fiscal Year Ending	Portion of Net Revenues Used for CS Debt	Civic Stadium Revenues (only to Civic Stadium Debt)	CIVIC STADIUM LTRB, Issue June 2001	TOTAL DEBT SERVICE FOR ALL 3 ISSUES	Net After Debt	3% Transient Lodgings Tax (MCC 11.401(D)); OCC operations only	OCC Total Operating Costs	Net Operations after 3% TM Tax	"OCC Operating Deficit" Years 1-6 up to $8.84 Max	Balance Available for OCC Ops next year (incl earns)	Marketing	Net After MOU #4 OCC Operating Deficit & Mktg	Fareless Square Support (Year One NR)
VALUES		4.00%	*Term 24 yr*										CPI
SOURCE			*all SERIALS*			*MULT CO*	*MERC*						
			TAXABLE					(8,840,000)	8,840,000				
									0	*(5,740,000)*			
2001	0	0		(1,596,046)	6,803,249	4,419,923	(6,085,565)	(1,665,642)	(5,740,000)	(4,181,310)	(250,000)	813,249	0
2002	(2,221,521)	908,000	(3,129,521)	(7,596,833)	1,974,770	4,565,780	(6,989,767)	(2,423,987)	(600,000)	(2,481,082)	(350,000)	1,024,770	(300,000)
2003	(2,186,481)	944,320	(3,130,801)	(7,598,113)	2,338,006	4,748,412	(5,851,612)	(1,103,200)	(588,450)	(2,069,565)	(361,550)	1,388,006	(309,900)
2004	(2,147,105)	982,093	(3,129,198)	(7,596,511)	2,718,078	4,938,348	(6,151,751)	(1,213,403)	(626,519)	(1,560,522)	(373,481)	1,718,078	(320,127)
2005	(2,108,296)	1,021,377	(3,129,673)	(8,982,589)	1,785,030	5,185,266	(6,195,464)	(1,010,198)	(550,000)	(1,158,090)	(385,806)	849,224	(330,691)
2006	(2,064,626)	1,062,232	(3,126,858)	(9,374,774)	1,803,259	5,392,676	(6,816,246)	(1,423,570)	(735,031)	(494,203)	(398,538)	669,691	(341,604)
2007	(2,025,987)	1,104,721	(3,130,708)	(9,998,624)	1,605,548	5,608,383	(5,850,415)	(242,032)		(265,410)	(411,689)	1,193,859	(352,877)
2008	(1,981,520)	1,148,910	(3,130,430)	(9,453,346)	2,593,295	5,832,719	(5,979,124)	(146,405)		(125,253)	(425,275)	2,168,020	(364,522)
2009	(1,936,180)	1,194,866	(3,131,047)	(9,823,963)	2,682,106	6,066,027	(6,110,665)	(44,637)		(84,848)	(439,309)	2,242,797	(376,551)
2010	(1,884,409)	1,242,661	(3,127,070)	(10,204,986)	2,778,122	6,308,668	(6,281,763)	26,905	0		(453,806)	2,324,316	(388,977)
2011	(1,836,061)	1,292,367	(3,128,429)	(10,596,345)	2,882,094	6,561,015	(6,470,216)	90,799	0		(468,782)	2,413,312	(401,813)
2012	(1,784,869)	1,344,062	(3,128,931)	(11,006,847)	2,985,916	6,823,456	(6,670,793)	152,663	0		(484,252)	2,501,664	(415,073)
2013	(1,730,262)	1,397,824	(3,128,086)	(11,441,002)	3,085,813	7,096,394	(6,890,929)	205,465	0		(500,232)	2,585,581	(428,770)
2014	(1,676,650)	1,453,737	(3,130,387)	(11,878,303)	3,203,051	7,380,250	(7,132,112)	248,138	0		(516,740)	2,686,311	(442,920)
2015	(1,618,460)	1,511,887	(3,130,347)	(12,258,263)	3,398,907	7,675,460	(7,396,000)	279,460	0		(533,792)	2,865,115	(457,536)
2016	(1,555,114)	1,572,362	(3,127,477)	(12,655,393)	3,599,690	7,982,478	(7,684,444)	298,034	0		(551,407)	3,048,283	(472,635)
2017	(1,491,019)	1,635,257	(3,126,276)	(13,154,192)	3,721,753	8,301,777	(7,991,821)	309,956	0		(569,604)	3,152,149	(488,232)
2018	(1,430,359)	1,700,667	(3,131,026)	(13,558,942)	3,961,699	8,633,848	(8,311,494)	322,354	0		(588,401)	3,373,298	(504,343)
2019	(1,361,957)	1,768,694	(3,130,651)	(13,758,567)	4,431,523	8,979,202	(8,643,954)	335,248	0		(607,818)	3,823,705	(520,987)
2020	(1,290,397)	1,839,441	(3,129,839)	(13,957,755)	4,927,491	9,338,370	(8,989,712)	348,658	0		(627,876)	4,299,615	(538,179)
2021	(1,214,915)	1,913,019	(3,127,935)	(14,155,851)	5,451,252	9,711,905	(9,349,301)	362,604	0		(648,596)	4,802,656	(555,939)
2022	(1,139,560)	1,989,540	(3,129,100)	(14,145,825)	6,210,865	10,100,381	(9,723,273)	377,109	0		(669,999)	5,540,865	(574,285)
2023	(1,058,219)	2,069,121	(3,127,340)	(14,344,065)	6,791,011	10,504,397	(10,112,204)	392,193	0		(692,109)	6,098,902	(593,237)
2024	(974,945)	2,151,886	(3,126,831)	(14,743,556)	7,199,819	10,924,572	(10,516,692)	407,881	0		(714,949)	6,484,870	(612,814)
2025	(888,399)	2,237,962	(3,126,361)	(14,843,086)	7,939,655	11,361,555	(10,937,359)	424,196	0		(738,542)	7,201,113	(633,036)
2026				(5,641,725)	15,685,168	11,816,018	(11,374,854)	441,164	0		(762,914)	14,922,254	(653,927)
2027				(5,641,725)	16,497,213	12,288,658	(11,829,848)	458,810	0		(788,090)	15,709,122	(675,506)
2028				(5,641,725)	17,340,341	12,780,205	(12,303,042)	477,163	0		(814,097)	16,526,243	(697,798)
2029				(5,641,725)	18,215,747	13,291,413	(12,795,164)	496,249	0		(840,963)	17,374,784	(720,825)
2030				(5,641,725)	19,124,673	13,823,069	(13,306,970)	516,099	0		(868,714)	18,255,958	(744,612)
	(39,607,312)	35,487,005	(75,094,317)	(306,932,400)		248,440,626	(250,742,551)		(8,840,000)				(14,217,715)

ATTACHMENT F
VISITOR DEVELOPMENT INITIATIVE CASHFLOW PROJECTIONS
Modified January 2000 Projections

0

nues RSS = Revenue Stabilization Subaccount

1	26	27	28	29	30	31	32	33	34	35	36	37	38
			MOU #6			MOU #7			MOU #8				
Fiscal Year Ending	Shortfall for MOU 5 (to be covered by RSS)	Net After Fareless Square	Visitor Development Fund (Year One NR)	Shortfall for MOU 6 (to be covered by RSS)	Net After Visitor Development Fund	Enhanced PCPA Support (No set begin.)	Shortfall for MOU 7 (to be covered by RSS)	Net After PCPA Support	Excess OCC Op. Deficits, first 1-6 years	Total shortfall for MOU 5,6 or 7	Revenue Stab. Subaccount "RSS" (negative = depleted)	MOU #9: Ending Balance or NR to call or defease bonds	Cum Balance
VALUES			CPI			CPI							
SOURCE													
2001	0	813,249	(250,000)	0	563,249	(250,000)	0	313,249		0	313,249	0	0
2002	0	724,770	(500,000)	0	224,770	(224,770)	(275,230)	0		(275,230)	54,464	0	0
2003	0	1,078,106	(516,500)	0	561,606	(516,500)	0	45,106		0	102,429	0	0
2004	0	1,397,951	(533,545)	0	864,407	(533,545)	0	330,862		0	438,669	0	0
2005	0	518,533	(518,533)	(32,618)	0	0	(551,151)	0		(583,770)	(122,070)	0	0
2006	0	328,087	(328,087)	(241,253)	0	0	(569,339)	0		(810,592)	0	0	0
2007	0	840,982	(588,128)	0	252,854	(252,854)	(335,273)	0		(335,273)	0	0	0
2008	0	1,803,498	(607,536)	0	1,195,962	(607,536)	0	588,426		0	588,426	0	0
2009	0	1,866,246	(627,585)	0	1,238,662	(627,585)	0	611,077		0	1,230,396	0	0
2010	0	1,935,339	(648,295)	0	1,287,044	(648,295)	0	638,749		0	1,685,567	248,174	248,174
2011	0	2,011,499	(669,689)	0	1,341,810	(669,689)	0	672,121		0	1,741,190	704,990	953,164
2012	0	2,086,591	(691,788)	0	1,394,803	(691,788)	0	703,015		0	1,798,650	736,968	1,690,132
2013	0	2,156,811	(714,617)	0	1,442,193	(714,617)	0	727,576		0	1,858,005	762,650	2,452,782
2014	0	2,243,392	(738,200)	0	1,505,192	(738,200)	0	766,992		0	1,919,319	803,223	3,256,005
2015	0	2,407,579	(762,560)	0	1,645,018	(762,560)	0	882,458		0	1,982,657	919,885	4,175,890
2016	0	2,575,648	(787,725)	0	1,787,923	(787,725)	0	1,000,199		0	2,048,084	1,038,860	5,214,750
2017	0	2,663,917	(813,720)	0	1,850,198	(813,720)	0	1,036,478		0	2,115,671	1,076,416	6,291,166
2018	0	2,868,955	(840,572)	0	2,028,382	(840,572)	0	1,187,810		0	2,185,488	1,229,065	7,520,231
2019	0	3,302,718	(868,311)	0	2,434,406	(868,311)	0	1,566,095		0	2,257,609	1,608,712	9,128,943
2020	0	3,761,436	(896,966)	0	2,864,470	(896,966)	0	1,967,505		0	2,332,111	2,011,528	11,140,472
2021	0	4,246,717	(926,565)	0	3,320,151	(926,565)	0	2,393,586		0	2,409,070	2,439,062	13,579,534
2022	0	4,966,580	(957,142)	0	4,009,438	(957,142)	0	3,052,296		0	2,488,570	3,099,273	16,678,807
2023	0	5,505,665	(988,728)	0	4,516,937	(988,728)	0	3,528,210		0	2,570,692	3,576,737	20,255,543
2024	0	5,872,057	(1,021,356)	0	4,850,701	(1,021,356)	0	3,829,345		0	2,655,525	3,879,474	24,135,017
2025	0	6,568,076	(1,055,061)	0	5,513,016	(1,055,061)	0	4,457,955		0	2,743,158	4,509,738	28,644,755
2026	0	14,268,327	(1,089,878)	0	13,178,449	(1,089,878)	0	12,088,572		0	2,833,682	12,142,063	40,786,818
2027	0	15,033,616	(1,125,844)	0	13,907,773	(1,125,844)	0	12,781,929		0	2,927,193	12,837,186	53,624,004
2028	0	15,828,445	(1,162,996)	0	14,665,449	(1,162,996)	0	13,502,453		0	3,023,791	13,559,533	67,183,537
2029	0	16,653,959	(1,201,375)	0	15,452,583	(1,201,375)	0	14,251,208		0	3,123,576	14,310,172	81,493,709
2030	0	17,511,346	(1,241,021)	0	16,270,325	(1,241,021)	0	15,029,304		0	3,226,654	15,090,214	96,583,923
			(23,672,321)			(22,215,198)							

as of October 2000

ATTACHMENT G

FYE	2001	2002	2003	2004	2005	2006	Cumulative
Rental	1,855,781	1,874,000	1,931,000	2,008,000	2,088,000	2,172,000	[illegible]
Reimbursed Labor	326,831	316,000	360,000	442,000	460,000	478,000	[illegible]
Concession/Catering	5,149,973	5,395,000	5,503,000	5,723,000	5,952,000	6,190,000	[illegible]
Merchandising	24,720	21,000	30,000	31,000	32,000	33,000	[illegible]
Utility Services	1,196,421	1,237,000	1,286,000	1,337,000	1,390,000	1,446,000	[illegible]
Parking	296,034	250,000	485,000	1,179,000	1,226,000	1,275,000	[illegible]
User Fee	1,500	-	-	-	-	-	[illegible]
Sales Commission	41,900	43,000	45,000	47,000	49,000	51,000	[illegible]
Retail Sales	56,250	54,000	56,000	58,000	60,000	62,000	[illegible]
Administrative Fee	-	-	-	-	-	-	
Advertising Fee	168,017	137,000	142,000	148,000	154,000	160,000	[illegible]
Other	88,000	92,000	96,000	100,000	104,000	108,000	[illegible]
Subtotal	9,205,427	9,419,000	9,934,000	11,073,000	11,515,000	11,975,000	[illegible]
Impact of Completion Project	-	-	745,050	3,321,900	5,181,750	7,185,000	[illegible]
Total Operating Revenues	9,205,427	9,419,000	10,679,050	14,394,900	16,696,750	19,160,000	[illegible]
Interest on Investments	248,000	180,406	88,086	-	-	-	[illegible]
Transfers	73,500	40,385	26,923	-	-	-	[illegible]
Total Other Resources	321,500	220,791	115,009	-	-	-	[illegible]
Total Operating Revenue & Other Resources	9,526,927	9,639,791	10,794,059	14,394,900	16,696,750	19,160,000	[illegible]
Personal Services	5,322,590	5,535,000	5,756,000	5,986,000	6,225,000	6,474,000	[illegible]
Impact of Completion Project	-	-	359,750	1,496,500	2,334,375	3,237,000	[illegible]
Materials and Services	2,196,377	2,119,000	2,183,000	2,248,000	2,315,000	2,384,000	[illegible]
Impact of Completion Project	-	-	163,725	674,400	1,041,750	1,430,400	[illegible]
Concessions/Catering	3,216,354	3,506,750	3,962,160	4,120,560	4,285,440	4,456,800	[illegible]
Impact of Completion Project	-	-	297,162	1,236,168	1,928,448	2,674,080	[illegible]
Parking	93,696	17,500	71,253	82,530	85,820	89,250	[illegible]
Impact of Completion Project	-	150,000	50,000	6,190	25,746	40,163	[illegible]
Marketing Contract	2,288,248	2,445,000	2,468,000	2,542,000	2,618,000	2,697,000	[illegible]
Impact of Completion Project	-	250,000	-	-	-	-	[illegible]
Total Operating Expenditures	13,117,265	14,023,250	15,311,050	18,392,348	20,859,579	23,482,693	[illegible]
Debt Service	3,600	-	-	-	-	-	[illegible]
Capital Spending	158,500	222,000	250,000	250,000	250,000	250,000	[illegible]
Capital Improvement Plan/RR	238,000	-	200,000	200,000	200,000	200,000	[illegible]
Metro Support Svcs/Ins	848,532	891,000	936,000	983,000	1,032,000	1,084,000	[illegible]
MERC Administration	571,905	601,000	631,000	663,000	696,000	731,000	[illegible]
Transfer/Loan	-	-	-	-	-	-	
Transfer to OCC Capital Project Fund	-	-	-	-	-	-	
Transfer to MERC RR Fund	-	-	-	-	-	-	
Contingency	26,110	200,000	200,000	200,000	200,000	200,000	[illegible]
Total Other Uses	1,846,647	1,914,000	2,217,000	2,296,000	2,378,000	2,465,000	[illegible]
Total Operating Expenditures and Other Uses	14,963,912	15,937,250	17,528,050	20,688,348	23,237,579	25,947,693	[illegible]
Net Cash Flow	(5,436,985)	(6,297,459)	(6,733,991)	(6,293,448)	(6,540,829)	(6,787,693)	(38,090,405)

Attachment H

OREGON CONVENTION CENTER ADVISORY COMMITTEE

(a) Purpose. The purpose of the advisory committee is to provide a forum for the discussion of policy matters regarding operation and marketing and future expansion of the Oregon Convention Center. This advisory committee is not to take the place of MERC, rather it will serve as an advisory committee to MERC and the Metro Council.

(b) Membership. The members of Oregon Convention Center Advisory Committee include:

Tri-County Lodging Association	3
Portland Oregon Visitor's Assn.	2
Multnomah County Car Rental Industry	2
Multnomah County Commission	1
City of Portland	1
MERC appointment	1
Citizens	3
Total	13

(1) Three (3) representatives of the Tri-County Lodging Association of which one (1) would be from East Multnomah County.

(2) Citizen appointments shall include persons who represent groups or interests that are affected by the Oregon Convention Center. Citizen appointments will be made pursuant to Metro Code 2.19.

(3) MERC appointment may be staff or a commission member.

(4) The chair of the advisory committee shall be elected by the membership with the approval of the Presiding Officer in consultation with the Metro Council.

(c) Scope: After consultation with our partners, the following issues could be addressed by the Oregon Convention Center Advisory Committee:

- Revenue and reinvestment issues at MERC
- Marketing allocation and strategy
- Operational support

- Providing advanced notice to stakeholders regarding OCC operational needs
- Alternative funding mechanisms
- Performance measures for service by Metro and MERC

Additional issue may be considered at the request of the Metro Council or as raised by the committee with the approval of the suitable Metro Council Committee and the Presiding Officer.

(d) Reporting Structure: The OCC Advisory Committee shall report directly to the Metro Council and provide timely reports to the MERC Commission. It shall submit a written report to the Metro Council and MERC no later than December 31, 2002.

(e) Duration: The OCC Advisory Committee shall exist until December 31, 2004. The Metro Council through budget allocations and direction must approve extensions.

(f) Staffing: Metro Council resources shall staff The OCC Advisory Committee.

STAFF REPORT

RESOLUTION NO. 00-3011, APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH MULTNOMAH COUNTY AND THE CITY OF PORTLAND REGARDING EXPANSION OF THE OREGON CONVENTION CENTER

Date: November 2, 2000 Presented by: Jennifer Sims
Dan Cooper

DESCRIPTION OF RESOLUTION

Resolution No. 00-3011 would authorize an intergovernmental agreement (IGA) among Metro, the City of Portland, and Multnomah County which lays out the terms under which the Oregon Convention Center (OCC) expansion is to be financed. The IGA calls for Multnomah County to increase its transient lodging (hotel/motel) tax and auto rental tax by 2.5% each, which will generate funds to pay the debt service on City-issued bonds for construction of the OCC project. The agreement also provides for enhancements to other spectator and visitor projects, including Civic Stadium (PGE Park) improvements, capital projects and operating funds for the Portland Center for the Performing Arts (PCPA), extension of Tri-Met's Fareless Square to the Lloyd District, operating support for OCC, and creation of a Visitor Development Fund to target attraction of visitors to the region.

EXISTING LAW

Chapter 190.010 of Oregon Revised Statutes authorizes jurisdictions to enter into intergovernmental agreements, "for the performance of any or all functions and activities that a party to the agreement, its officer or agencies, have authority to perform."

BACKGROUND AND DISCUSSION

Since it opened in 1990, the Oregon Convention Center has been a key public facility serving the region's visitor industry. As other metro areas have expanded their convention and meeting facilities, the competitiveness of the Oregon Convention Center (OCC) has declined. To become more competitive and continue to attract national conventions, the OCC needs expansion; the building was originally designed and planned to be expanded. The increased business will create a stronger local economy and ensure continued and new employment in visitor-related industries. An OCC facility second phase proposal was developed to finance construction with voter-approved general obligation bonds. Voters did not approve that bond measure at the November 1998 general election.

After that election, members of the lodging and visitor industry worked on a funding plan for the proposal that did not require property taxes. The plan looked at a range of options based on taxes and revenues generated largely by the regional visitor industry.

In early 1999, representatives of the visitor industry met with the City, the County, and Metro to review their plan and to explore ways to move forward with the project. It was determined that industry support for increased transient lodging and vehicle rental taxes by Multnomah County combined with City of Portland financial ability fund the OCC project. This effort would also provide funding for other projects that support the region's visitor industry.

The City of Portland does not have charter authority to increase its transient lodging tax or to impose a vehicle rental tax. Multnomah County does have such legal authority.

On September 14, 1999, the County, City of Portland, Metro, Tri County Lodging Association, National Rental Car Companies, Tri Met, Portland Development Commission and Portland Oregon Visitors Association agreed to a project Memorandum of Understanding (MOU) and to develop necessary legal documents.

This collaborative effort will modernize and stabilize the operations of public facilities that are critical to serving the region and vital to supporting the region's visitor industry. The expansion nearly doubles the OCC capacity, renovates the Civic Stadium, doubles the size of Fareless Square by extending it to the Lloyd Center Max station, and stabilizes the operational funding and adds capital funds for the Performing Arts Center.

The City of Portland has concluded an agreement on the redevelopment of Civic Stadium with a private sector entity.

The City of Portland, the County and Metro acknowledge the support of the lodging and vehicle rental industry that facilitates the tax increases that pay for the projects named in the documents.

The Intergovernmental Agreement implements the Memorandum of Understanding.

<u>FINANCIAL IMPACT</u>

The following is a summary of the project finances. Included are estimated project revenues that will be used to pay for bond debt and fund other programs.

City of Portland will issue bonds for about $135.1 million for the construction of the following projects:

- Oregon Convention Center expansion, not to exceed $100 million
- Portland Center for Performing Arts (PCPA) capital improvements, not to exceed $2.1 million
- Civic Stadium renovation, not to exceed $34.5 million

Metro will contribute $5 million in OCC reserves for the expansion.

Portland Development Commission will provide about $5 million in tax increment funds toward the cost of the OCC project or related facilities that will reduce the expansion cost.

City of Portland will continue to contribute 1% hotel/motel tax to the POVA.

City of Portland currently gives $600,000 to MERC annually ($300,000 to Civic Stadium and $300,000 to PCPA). The PCPA amount will be increased to $600,000.

The current County 3% Hotel/Motel Tax uses will not be changed.

Project revenues include:
- New Hotel/Motel Tax of 2-1/2% (current tax is 9% and the increase of 2-1/2% will generate about $5.8 million annually. Hotel/motel operators receive a 5% administration fee on the collection, the same as on the current 3% countywide tax).
- New Motor Vehicle Rental Tax of 2-1/2% (current tax is 10% and the increase of 2-1/2% will generate about $2.9 million annually)
- Civic Stadium guaranteed rent
- Interest earnings
- All revenues to be used only for the items listed below.

The project revenues will be placed in a County trust account. The flow of funds in priority order is as follows:
- First to pay debt service on the OCC bonds.
- Second to pay debt service on the PCPA bonds.
- Third to pay debt service on the Stadium bonds.
- Fourth to pay any operating shortfalls at the Convention Center up to $8.84 million through 2006; provides a mechanism for additional support in later years if needed.
- Fifth to extend Tri-Met fareless square to Lloyd Center ($300,000 and then indexed).
- Sixth to create a Visitor Development Fund ($250,000 raising up to $500,000 and then indexed).
- Seventh for additional PCPA support ($500,000).
- Eighth to Metro to cover operating deficits over $8.84 million in the first six years.
- Ninth to a revenue stabilization subaccount to pay amounts that may not receive full funding during the first ten years.
- Tenth to redeem or defease bonds with a maturity date more than 25 years after the date of issue.
- Eleventh any remaining funds to a Visitor Development Fund.

County will be the trustee of a Visitors' Facilities Trust Account and receive compensation for acting in this capacity, approximately $60,000 in year one.

BUDGET IMPACT

This resolution would provide funds to construct the planned expansion of the Oregon Convention Center. Without funding, the project cannot proceed. It also provides up to

$8.84 million in operating support for OCC for six years, which is estimated as the amount needed to cover reduced revenue during construction as well as additional costs in the completed facility's first years of operation, when full staffing will be needed but bookings and revenues will not be fully realized. The resolution also provides for $500,000 per year in operating support for PCPA.

EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 00 – 3011.

ADDITIONAL ISSUE

The IGA includes a provision that any transient lodgings tax collected from facilities in the East Multnomah County cities shall not be used to pay the costs of debt service for the Civic Stadium bonds. Any funds generated by the East County facilities shall be provided to the Visitor Development Fund Board for visitor development projects that benefit the East County cities.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH MULTNOMAH COUNTY AND THE CITY OF PORTLAND REGARDING EXPANSION OF THE OREGON CONVENTION CENTER	))))))	RESOLUTION NO. 00-3011 Introduced by Executive Officer Mike Burton, Councilor David Bragdon, and Councilor Rod Monroe

WHEREAS, the Metro Council adopted Resolution No. 99-2836 on September 9, 1999, approving a Memorandum of Understanding (MOU) among Metro, the City of Portland, Multnomah County, Tri-County Lodging Association, National Car Rental Companies, Car and Truck Rental and Leasing Association, Tri-Met, Portland Development Commission, and Portland Oregon Visitors Association; and

WHEREAS, the MOU called for the preparation of various legally binding actions by Metro, the City of Portland, and Multnomah County, and actions by other parties to the MOU, to provide for financing for a needed major expansion and completion of the Oregon Convention Center (OCC); and

WHEREAS, representatives of the parties to the MOU have agreed to the terms under which the expansion and completion of OCC will be financed, in which the City of Portland will issue bonds to pay for construction, the debt service on which is to be paid with proceeds of increases in Multnomah County's transient lodgings and vehicle rental taxes; and

WHEREAS, other projects and initiatives anticipated in the MOU are also to be accomplished, including capital improvements to Civic Stadium and the Portland Center for the Performing Arts (PCPA), provision of additional operating support to OCC for six years, provision of additional operating support for PCPA, extension of Tri-Met's

Fareless Square, and establishment of a Visitor Development Fund (VDF) and VDF Board of Directors; and

WHEREAS, an Intergovernmental Agreement among Metro, the City of Portland, and Multnomah County is necessary to provide legally binding obligations on the parts of the three jurisdictions to perform their obligations as anticipated in the MOU; now, therefore,

BE IT RESOLVED:

That the Metro Council authorizes the Executive Officer to execute the Intergovernmental Agreement attached as Exhibit A.

ADOPTED by the Metro Council this __________ day of November, 2000.

____
David Bragdon, Presiding Officer

APPROVED AS TO FORM:

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Daniel B. Cooper, General Counsel