

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING) RESOLUTION NO. 00-3012A
AN INTERGOVERNMENTAL)
AGREEMENT WITH MULTNOMAH) Introduced by Executive Officer
COUNTY REGARDING DISBURSEMENT) Mike Burton
OF TRANSIENT LODGINGS TAX)
PROCEEDS)

WHEREAS, Metro and Multnomah County are parties to an Intergovernmental Agreement (IGA) dated June 24, 1986, under which the County agreed to pay Metro the proceeds of its 3% transient lodging tax and Metro agreed to spend those proceeds for the purposes listed in the County transient lodgings tax code; and

WHEREAS, Multnomah County increased its transient lodgings tax and vehicle rental tax, effective April 1, 2000, to provide partial funding for the financing of the expansion of the Oregon Convention Center (OCC), capital improvements to the Portland Center for the Performing Arts (PCPA), operating support for OCC and PCPA, and for other programs; and

WHEREAS, Resolution No. 00-3011A authorizes an IGA among Metro, Multnomah County, and the City of Portland (3-Party IGA) related to the financing of the expansion, improvements, and other programs, which IGA stipulates how the proceeds of the County's increased taxes are to be spent; and

WHEREAS, the IGA needs to be updated and expanded to provide for disbursement of the County funds to Metro according to the terms of the 3-Party IGA; 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

APPROVED AS TO FORM:



Daniel B. Cooper, General Counsel

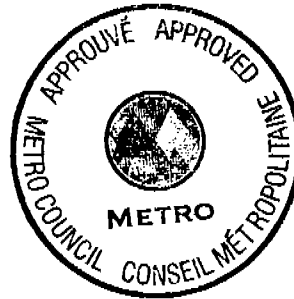


EXHIBIT A

MULTNOMAH COUNTY and METRO OREGON CONVENTION CENTER INTERGOVERNMENTAL AGREEMENT

This Intergovernmental Agreement (Agreement) is between Multnomah County, Oregon (County) and the Tri-County Metropolitan Service District (Metro).

FINDINGS

- a. Ordinance 56 effective July 15, 1972 imposes a 5% transient lodging tax and allocates all revenues to the County general fund.
- b. Ordinance 122 effective July 1, 1976 imposes a 10% motor vehicle rental tax and allocates all revenues to the County general fund.
- c. The voters adopted Ordinance 171 effective January 1, 1979 that imposes a 1% transient lodging tax surcharge dedicated to promote county convention business and tourism.
- d. Ordinance 488 effective April 1, 1986 raises the 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 authorized uses for the fund.
- e. 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.
- f. 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.
- g. 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.
- h. Ordinance 593 effective October 29, 1988 amended the code to add two exemptions from the tax and other technical changes.
- i. 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.

- j. Ordinance 811 effective January 26, 1995 amended the code to substitute the Regional Arts and Culture Council for the Metropolitan Arts Commission.
- k. 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.
- l. 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.
- m. 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 additional tax did not take effect because in November 1998 voters did not approve general obligation bonds to finance completion of the center.
- n. 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.
- o. The County, City of Portland and Metro have entered an intergovernmental agreement relating to the financing of the expansion, improvements and enhancements.
- p. The County has amended MCC 11.401 to increase the transient lodging tax and MCC 11.301 to increase its motor vehicle rental tax as part of this financing.
- q. The County needs to enter a new Intergovernmental Agreement with Metro to update and expand the June 24, 1986 agreement. The new Agreement relates to the previously imposed 3% transient lodging tax surcharge (MCC 11.401(D), the new 2.5% transient lodging tax surcharge (MCC 11.401(E), and the 2.5% motor vehicle rental tax surcharge (MCC 11.301(C).

AGREEMENT

A. Previous Agreement

Metro and the County agree that their June 24, 1986 Intergovernmental Agreement is terminated as of the effective date of this Agreement. All rights and obligations under the previous agreement are continued under the terms of this Agreement.

B. Obligations of Metro

1. Metro will expend the 3% transient lodging tax surcharge proceeds received from the County in accordance with MCC 11.401(D)(2).
2. Metro may deposit MCC 11.401(D)(2) proceeds received from the County into the County Visitors Facilities Trust Account. County will use these funds to pay debt service on the Convention Center Completion Bonds along with other amounts allocated by MCC 11.401(E)(3)(a).
3. Metro will exclusively expend the 2.5% transient lodging tax surcharge proceeds received from the County in accordance with MCC 11.401(E)(3)(d), (g) and (h).
4. Metro will exclusively expend any 2.5% transient lodging tax surcharge proceeds received from the County under MCC 11.401(E)(3)(i) in accordance with County approved budgets.
5. Metro will exclusively expend the 2.5% motor vehicle rental tax surcharge proceeds received from the County in accordance with MCC 11.401(E)(3)(d), (g) and (h), and under MCC 11.401(E)(3)(i) in accordance with County approved budgets.
6. Metro will annually account to the County Finance Director for all tax proceeds received from the County under this Agreement during the preceding fiscal year. The accounting for fiscal year 2000-01 will be due October 1, 2001, and the accounting for each succeeding fiscal year will be due on each succeeding October 1.

B. Obligations of County

1. County will pay to Metro within 30 days of receipt by County the net proceeds received from the 3% transient lodging tax surcharge as allocated by MCC 11.401(D)(2).

2. County will pay to Metro within 30 days of receipt by County the net proceeds received from the 2.5% transient lodging tax surcharge as allocated by MCC 11.401(E)(3)(d), (g) and (h).
3. County will pay to Metro within 30 days of receipt by County the net proceeds received from the 2.5% motor vehicle rental tax surcharge as allocated by MCC 11.302(B).

D. Termination

1. Either the County or Metro may terminate this Agreement effective the beginning of any fiscal year as long as written notice is given of not less than one year.
2. This Agreement may be terminated at any time with the written agreement of the County and Metro.

E. Effective Date

Upon approval by the Metro Council and County Board of Commissioners, this Agreement will take effect April 1, 2000, or other effective date of County ordinances that amend MCC 11.301 and 11.304, and MCC 11.401, whichever is later.

Approved as to form:

County of Multnomah

Tom Sponsler
County Counsel

Beverly Stein
Chair

Approved as to form:

Metropolitan Service District

Daniel B. Cooper
Metro Counsel

Mike Burton
Executive Officer

STAFF REPORT

RESOLUTION NO. 00-3012, APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH MULTNOMAH COUNTY REGARDING DISBURSEMENT OF TRANSIENT LODGINGS TAX PROCEEDS

Date: November 2, 2000

Presented by: Jennifer Sims
Dan Cooper

DESCRIPTION OF RESOLUTION

Resolution No. 00-3102 would authorize an intergovernmental agreement (IGA) between Metro and Multnomah County, updating and replacing an existing IGA that governs the flow of County transient lodging tax proceeds used to support MERC facilities and cultural programs.

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

Metro and Multnomah County are parties to an Intergovernmental Agreement (IGA) dated June 24, 1986, which governs the distribution and use of proceeds generated by the County's 3% transient lodging tax surcharge. Those funds are used to support the operations of the Oregon Convention Center (OCC) and other cultural and visitor facilities and programs.

The Multnomah County Commission has approved 2.5% surcharges to its transient lodging tax and its motor vehicle rental tax to finance the debt service on bonds being issued by the City of Portland to pay for OCC expansion and other projects. The proceeds of these tax surcharges are to be used in accordance with the IGA among Metro, Multnomah County, and the City of Portland, authorized by Resolution No. 00-3011; among these uses are additional operating support for OCC and for the Portland Center for the Performing Arts (PCPA).

The Multnomah County IGA authorized by Resolution 00-3012 provides for Metro to receive part of the proceeds of these two tax surcharges to support operations of OCC and PCPA. It provides that Metro will expend the money in accordance with applicable provisions of the County Code, limiting its use to support of the facilities, and that Metro will annually account for all tax proceeds received from the County under this agreement. Multnomah County agrees to disburse the proceeds to Metro within 30 days of receipt.

FINANCIAL IMPACT

OCC is projected to need \$8.84 million in operating support for the six years beginning FY 2000-01, during and immediately after construction of the OCC expansion project. The County tax surcharges are projected to provide \$5.7 million in support in FY 2000-01, with lesser amounts in ensuing years, totaling \$8.84 million in six years. (There is a large sum transferred in the first year because there will be no debt service payment required in that year.) OCC operating support up to the \$8.84 million is first in line to receive funds from the County tax surcharges after debt service payments are made.

The IGA authorized by Resolution No. 00-3011 (the 3-party IGA among Metro, Multnomah County, and the City of Portland) also provides for additional support for PCPA of \$500,000 per year.

If funds are available and the need is demonstrated, OCC may receive additional operating support in the first six years. Amounts are not stipulated in the 3-party IGA.

Finally, OCC may receive additional operating support in later years if the need is demonstrated and the amounts are agreed to through a process established in the 3-party IGA.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 00-3012.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING) RESOLUTION NO. 00-3012
AN INTERGOVERNMENTAL)
AGREEMENT WITH MULTNOMAH) Introduced by Executive Officer
COUNTY REGARDING DISBURSEMENT) Mike Burton
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WHEREAS, Multnomah County increased its transient lodgings tax and vehicle rental tax, effective April 1, 2000, to provide partial funding for the financing of the expansion of the Oregon Convention Center (OCC), capital improvements to the Portland Center for the Performing Arts (PCPA), operating support for OCC and PCPA, and for other programs; and

WHEREAS, Resolution No. 00-3011 authorizes an IGA among Metro, Multnomah County, and the City of Portland (3-Party IGA) related to the financing of the expansion, improvements, and other programs, which IGA stipulates how the proceeds of the County's increased taxes are to be spent; and

WHEREAS, the IGA needs to be updated and expanded to provide for disbursement of the County funds to Metro according to the terms of the 3-Party IGA; 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:

Daniel B. Cooper, General Counsel

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E. Effective Date

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Approved as to form:

County of Multnomah

Tom Sponsler
County Counsel

Beverly Stein
Chair

Approved as to form:

Metropolitan Service District

Daniel B. Cooper
Metro Counsel

Mike Burton
Executive Officer

STAFF REPORT

RESOLUTION NO. 00-3012, APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH MULTNOMAH COUNTY REGARDING DISBURSEMENT OF TRANSIENT LODGINGS TAX PROCEEDS

Date: November 2, 2000

Presented by: Jennifer Sims
Dan Cooper

DESCRIPTION OF RESOLUTION

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EXISTING LAW

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The Multnomah County IGA authorized by Resolution 00-3012 provides for Metro to receive part of the proceeds of these two tax surcharges to support operations of OCC and PCPA. It provides that Metro will expend the money in accordance with applicable provisions of the County Code, limiting its use to support of the facilities, and that Metro will annually account for all tax proceeds received from the County under this agreement. Multnomah County agrees to disburse the proceeds to Metro within 30 days of receipt.

FINANCIAL IMPACT

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The IGA authorized by Resolution No. 00-3011 (the 3-party IGA among Metro, Multnomah County, and the City of Portland) also provides for additional support for PCPA of \$500,000 per year.

If funds are available and the need is demonstrated, OCC may receive additional operating support in the first six years. Amounts are not stipulated in the 3-party IGA.

Finally, OCC may receive additional operating support in later years if the need is demonstrated and the amounts are agreed to through a process established in the 3-party IGA.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 00-3012.