

Metro | Agenda

Meeting: Metro Council
Date: Thursday, August 15, 2013
Time: 2 p.m.
Place: Metro, Council Chamber

CALL TO ORDER AND ROLL CALL

1. INTRODUCTIONS

2. CITIZEN COMMUNICATION

3. CONSENT AGENDA

3.1 Consideration of the Council Minutes for August 8, 2013

3.2 **Resolution No. 13-4449**, For the Purpose of Authorizing the Chief Operating Officer to Execute an Agricultural Lease on Metro-Owned Property.

3.3 **Resolution No. 13-4451**, For the Purpose of Authorizing the Chief Operating Officer to Enter Into an Intergovernmental Agreement Regarding Distribution of Shared Services Funds to Washington County School Districts.

4. RESOLUTIONS

4.1 **Resolution No. 13-4450**, For the Purpose of Approving FY 2012-2013 Funding for Community Planning and Development Grants Funded with Construction Excise Tax.

Gerry Uba, Metro

4.1.1 Public Hearing on Resolution No. 13-4450.

4.2 **Resolution No. 13-4452**, For the Purpose of Approving the Amended and Restated Visitor Facilities Intergovernmental Agreement.

Teri Dresler, Metro

4.3 **Resolution No. 13-4453**, For the Purpose of Approving the Oregon Convention Center Hotel Project Term Sheet.

Teri Dresler, Metro

5. CHIEF OPERATING OFFICER COMMUNICATION

6. COUNCILOR COMMUNICATION

ADJOURN

Television schedule for August 15, 2013 Metro Council meeting

<p>Clackamas, Multnomah and Washington counties, and Vancouver, WA Channel 30 – Community Access Network <i>Web site:</i> www.tvctv.org <i>Ph:</i> 503-629-8534 <i>Date:</i> Thursday, August 15</p>	<p>Portland Channel 30 – Portland Community Media <i>Web site:</i> www.pcmtv.org <i>Ph:</i> 503-288-1515 <i>Date:</i> Sunday, August 18, 7:30 p.m. <i>Date:</i> Monday, August 19, 9 a.m.</p>
<p>Gresham Channel 30 - MCTV <i>Web site:</i> www.metroeast.org <i>Ph:</i> 503-491-7636 <i>Date:</i> Monday, August 19, 2 p.m.</p>	<p>Washington County Channel 30– TVC TV <i>Web site:</i> www.tvctv.org <i>Ph:</i> 503-629-8534 <i>Date:</i> Saturday, August 17, 11 p.m. <i>Date:</i> Sunday, August 18, 11 p.m. <i>Date:</i> Tuesday, August 20, 6 a.m. <i>Date:</i> Wednesday, August 21, 4 p.m.</p>
<p>Oregon City, Gladstone Channel 28 – Willamette Falls Television <i>Web site:</i> http://www.wftvmedia.org/ <i>Ph:</i> 503-650-0275 Call or visit web site for program times.</p>	<p>West Linn Channel 30 – Willamette Falls Television <i>Web site:</i> http://www.wftvmedia.org/ <i>Ph:</i> 503-650-0275 Call or visit web site for program times.</p>

PLEASE NOTE: Show times are tentative and in some cases the entire meeting may not be shown due to length. Call or check your community access station web site to confirm program times.

Agenda items may not be considered in the exact order. For questions about the agenda, call the Metro Council Office at 503-797-1540. Public hearings are held on all ordinances second read. Documents for the record must be submitted to the Regional Engagement and Legislative Coordinator to be included in the meeting record. Documents can be submitted by e-mail, fax or mail or in person to the Regional Engagement and Legislative Coordinator. For additional information about testifying before the Metro Council please go to the Metro web site www.oregonmetro.gov and click on public comment opportunities.

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Agenda Item No. 3.1

Consideration of the Council Minutes for August 8, 2013

Consent Agenda

Metro Council Meeting
Thursday, August 15, 2013
Metro, Council Chamber

Agenda Item No. 3.2

Resolution No. 13-4449, For the Purpose of Authorizing the
Chief Operating Officer to Execute an Agricultural Lease on
Metro-Owned Property.

Consent Agenda

Metro Council Meeting
Thursday, August 15, 2013
Metro, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE	)	Resolution No. 13-4449
CHIEF OPERATING OFFICER TO EXECUTE)	
AN AGRICULTURAL LEASE ON	)	Introduced by Chief Operating Officer Martha
METRO-OWNED PROPERTY	)	Bennett in concurrence with Council
	)	President Tom Hughes

WHEREAS, at the general election held on November 7, 2006, the voters of the Metro region approved the 2006 Natural Areas Bond Measure, authorizing Metro to sell \$227.4 million in general obligation bonds to fund natural area acquisition and water quality protection;

WHEREAS, the Wapato Lake Target Area was identified in the 2006 Natural Areas Bond Measure as one of 27 regional target areas for land acquisition;

WHEREAS, on February 6, 2012, Metro purchased approximately 153 acres of real property in the Wapato Lake Target Area (the "Property"), a 100-acre portion of which is historically agricultural and is currently harvested for hazelnuts;

WHEREAS, on April 17, 1997, the Metro Council adopted 97-2483 "For the Purpose of Authorizing the Executive Officer to Execute Current and Future Leases Related to Metro's Open Spaces Property Acquisitions," which provides that the Chief Operating Officer may execute agricultural leases of open spaces lands provided that the terms of such leases do not exceed one year and the lease payments do not exceed \$2,000 per month; and

WHEREAS, staff has determined that it is in the best interest of the Property for Metro to enter into a ten-year agricultural lease in order to allow the lessee to implement a hazelnut blight program to bring the existing hazelnut orchard on the Property to a healthy productive state; therefore

BE IT RESOLVED, that the Metro Council hereby authorizes the Chief Operating Officer to enter into an agricultural lease for the Property for a term of up to ten years, which lease shall be in a form approved by the Office of the Metro Attorney.

ADOPTED by the Metro Council this ____ day of August 2013.

Tom Hughes, Council President

Approved as to Form:

Alison R. Kean, Metro Attorney

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 13-4449, FOR THE PURPOSE OF AUTHORIZING THE CHIEF OPERATING OFFICER TO EXECUTE AN AGRICULTURAL LEASE ON METRO-OWNED PROPERTY

Date: August 15, 2013

Prepared by: Laurie Wulf, 503-797-1554

BACKGROUND

On February 6, 2012, Metro purchased approximately 153 acres of real property in the Wapato Lake Target Area (the "Property"), a 100-acre portion of which was actively being harvested for hazelnuts at the time of Metro's purchase. The Property is located in an area where agriculture is the predominant use by surrounding landowners. This purchase is adjacent to a 350-acre Metro natural area immediately to the north, creating a 500-acre expanse of protected land.

Metro purchased the Property to provide a habitat corridor from the Tualatin River floodplain (Penstemon Prairie natural area) to the ridge (Chehalem Ridge natural area). Fifty two of the approximately 153 acres of the property are in a natural condition and currently serve as a corridor. One acre is leased for a residence, and the remaining 100 acres are a viable hazelnut orchard though it currently has eastern filbert blight that limits productivity and requires action to eradicate. Restoring the hazelnut orchard to native habitat is not an appropriate stabilization activity. The orchard was not selected as a levy project for two reasons: other equally large-scale projects were ranked as higher priorities, and the orchard is economically viable for another 10+ years under a blight control plan. Also, the Property can provide additional farming opportunities for the community and revenue for Metro. Metro staff researched blight control programs, contacted the Hazelnut Growers of Oregon, Oregon State University Extension office and also discussed blight control strategies with other hazelnut farmers in the area. Everyone advised the need to establish a blight control management plan for the orchard, as the orchard currently is minimally managed for eastern filbert blight.

Metro's Natural Areas Program is interested in soliciting proposals for a farming lease of the 100-acre hazelnut orchard. As set forth in ORS 271.310, Oregon state law allows political subdivisions to lease real property to private parties based upon finding that it is in the public interest to do so. Metro Council Resolution 97-2483, "For the Purpose of Authorizing the Executive Officer to Execute Current and Future Leases Related to Metro's Open Spaces Property Acquisitions," adopted by Metro Council on April 17, 1997, authorizes the Chief Operating Officer to execute leases of open spaces lands with terms of up to and including one year. Leases for terms longer than one year, or that generate lease payments over \$2,000 per month, require approval of the Metro Council, as required by Metro Code 2.04.026(a)(3).

The resolution before the Metro Council will enable staff to negotiate a 10-year lease for the orchard following a competitive process. A 10-year agricultural lease will provide the lessee farmer adequate time to implement a blight control program to bring the existing hazelnut orchard back to a healthy productive state. Regenerating a 100-acre hazelnut orchard is a long-term investment for a lessee, and adequate time is necessary to accomplish the following: good pruning practices, foliar feeding to push new growth, fertilizing, inter-planting and instituting a blight spraying program. An initial loss in profits for both Metro and the lessee farmer is expected, due to initial expenses in implementing a blight program. A longer term lease will allow time for the lessee farmer to make a return on their investment. A longer term lease will also encourage local farmers who will employ local workers to submit proposals for the lease.

Staff have determined that the proposed ten-year agricultural lease is in the public interest, because it complements Metro's long-term management needs for this area and will allow the implementation of a blight control program that is necessary to prevent spreading blight to other farms in the area.

ANALYSIS/INFORMATION

1. Known Opposition

No known opposition.

2. Legal Antecedents

ORS 271.310; Metro Code 2.04.026(a)(3); Resolution 97-2483 “For the Purpose of Authorizing the Executive Officer to Execute Current and Future Leases to Metro’s Open Space Acquisitions.”

Metro Council Resolution 97-2483, “For the Purpose of Authorizing the Executive Officer to Execute Current and Future Leases Related to Metro’s Open Spaces Property Acquisitions,” adopted by Metro Council on April 17, 1997.

3. Anticipated Effects

Staff will solicit proposals for a ten year agricultural lease that will allow farming practices to improve site productivity and the health of the existing hazelnut orchard, including the implementation of a blight management program.

4. Budget Impacts

Extending the lease period from one to ten years will reduce revenue for the first couple of years, but will increase revenue over the life of the lease.

RECOMMENDED ACTION

The Chief Operating Officer recommends passage of Resolution No. 13-4449.

Agenda Item No. 3.3

Resolution No. 13-4451, For the Purpose of Authorizing the Chief Operating Officer to Enter Into an Intergovernmental Agreement Regarding Distribution of Shared Services Funds to Washington County School Districts.

Consent Agenda

Metro Council Meeting
Thursday, August 15, 2013
Metro, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE	)	RESOLUTION NO. 13-4451
CHIEF OPERATING OFFICER TO ENTER INTO)	
AN INTERGOVERNMENTAL AGREEMENT	)	Introduced by Chief Operating Office Martha
REGARDING DISTRIBUTION OF SHARED		Bennett in concurrence with Council
SERVICES FUNDS TO WASHINGTON		President Tom Hughes
COUNTY SCHOOL DISTRICTS		

WHEREAS, in ORS §§ 285C.600-639, the State of Oregon created the Strategic Investment Program (SIP) to improve employment in areas where eligible projects are to be located; and

WHEREAS, under SIP the State may determine that real and personal property constituting a project shall receive a tax exemption if certain conditions are met, and that in lieu of payment of taxes, the business responsible for the eligible project pay a community service fee that relates to the direct impact of the eligible project on public services; and

WHEREAS, under ORS § 285C.609, Washington County, City of Hillsboro, Tualatin Valley Fire & Rescue District, Metro, and the Port of Portland (“IGA parties”) have entered into agreements to receive distributions of the community service fee; and

WHEREAS, the IGA parties also receive distributions from the Shared Services Fund pursuant to ORS§ 285C.639; and

WHEREAS, Washington County schools have been growing at one of the fastest rates in the state and additional funds are needed to address the growing population; and

WHEREAS, the IGA parties intend to distribute \$5 million from the Shared Services Fund to the Washington County School Districts in fiscal year 2013-14, and to make a similar distribution in fiscal year 2014-15, so long as there is no change in how the Shared Services Fund amount is calculated; and

WHEREAS, the distribution to the School Districts will be made before any distribution of funds is made to the IGA parties; and

WHEREAS, the Metro Council supports the policy of distributing of Shared Services Fund dollars to Washington County School Districts; now therefore

BE IT RESOLVED that the Metro Council

1. Acknowledges the growth of Washington County Schools and supports the distribution of Shared Service Funds to Washington County School Districts; and
2. Authorizes the Chief Operating Officer to enter into an intergovernmental agreement with the IGA parties under ORS § 285C.639 to effect the distribution to the School Districts in a form approved by the Office of Metro Attorney.

ADOPTED by the Metro Council this 15th day of August 2013.

Tom Hughes, Council President

Approved as to Form:

Alison R. Kean, Metro Attorney

INTERGOVERNMENTAL AGREEMENT

Between

Washington County (County), City of Hillsboro (City), Tualatin Valley Fire & Rescue District (TVFR), Metro and the Port of Portland (Port) for the Distribution of State of Oregon Shared Services Funds to School Districts based in Washington County (School Districts).

Recitals

1. Over fiscal years 2013-2014 and 2014-2015, the parties intend to dedicate a total of \$10 million of the Shared Services funds received by the County from the state to the local school districts to assist these districts in providing services to the students of Washington County.
2. For purposes of this agreement, Washington County (County) also includes the Enhanced Sheriff's Patrol District and the Urban Road Maintenance District.
3. County, City, TVFR, Metro and Port all receive distributions of the Community Service Fee (CSF) under the Strategic Investment Programs (SIP) as described in ORS 285C.600 *et seq.*
4. Pursuant to the SIP statutes, the above parties have entered into agreements for the distribution of the CSF as provided for in ORS 285C.609.
5. The County, City, TVFR, Metro and Port also receive distributions of funds from the Shared Services Fund, which are derived from income taxes, as provided in ORS 285C.639. Pursuant to that statute, the County distributes those funds in the same manner as provided for in the CSF distribution agreement. OAR 123-623-1950(2).
6. The distribution of these funds to School Districts is at the discretion of the parties. The parties recognize the importance of the services provided by School Districts.

Agreement

1. From the Shared Services Fund distribution to the County for fiscal year 2013-2014 the County will deliver \$5 million to the School Districts
2. The distribution to School Districts shall be made before any distribution of the Shared Services Fund is made to the County, City, TVFR, Metro and the Port.
3. Once the distribution is made to School Districts, the County will distribute the remaining Shared Services fund to the County, City, TVFR, Metro and the Port as provided for in the CSF agreement.
4. In fiscal year 2014-2015, if the State Legislature does not make any change to how the amount in the Shared Services Fund is calculated, or the distribution formula and after the County has received the State Services funding from the State, then the County shall

use this same process agreed to here as in fiscal year 2013-2014 to distribute the remaining \$5 million to School Districts.

5. This agreement may be amended by the consent of all the parties.

Signed this ___ day of _____, 2013

Washington County

City of Hillsboro

Andy Duyck
Chairman, Board of Commissioners

Jerry Willey
Mayor, City of Hillsboro

Tualatin Valley Fire and Rescue

Port of Portland

Robert Wyffels
President

Bill Wyatt
Executive Director

Metro

Tom Hughes
Council President

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 13-4451 , FOR THE PURPOSE OF
AUTHORIZING THE CHIEF OPERATING OFFICER TO ENTER INTO AN
INTERGOVERNMENTAL AGREEMENT REGARDING DISTRIBUTION OF SHARED
SERVICES FUNDS TO WASHINGTON COUNTY SCHOOL DISTRICTS

Date: August 15, 2013

Prepared by: Tim Collier
503-797-1913

BACKGROUND

The Strategic Investment Program (SIP) was adopted by the Oregon Legislature in 1993 to improve employment in Oregon by attracting and keeping job-producing companies. SIP allows local governments and key businesses to negotiate alternative taxing agreements when businesses are willing to invest at least \$100 million in an urban area. The 2007 Legislature passed Senate bill 954 which grants local governments a share of the personal income tax revenue generated by the retention and creation of SIP-related jobs. The Gain Share legislation is designed as a partial trade-off for limiting local property taxes for businesses participating in the SIP.

As a taxing jurisdiction, Metro is one of the local governments eligible for a payment under the Gain Share program. In fiscal year 2012-13, the first year of Gain Share payments, Metro received \$87,835. In response to the fiscal condition of Washington County schools, Washington County has proposed distributing \$5 million to the school districts in both fiscal year 2013-14 and 2014-15 to help them accommodate the additional growth they have experienced. There was no Gain Share revenue distributed to schools in fiscal year 2012-13. Based on this new distribution, Washington County projects that Metro's Gain Share payment for 2013-14 will be approximately \$140,000. Because Gain Share revenues are uncertain as the program is new, Metro has not specifically budgeted these revenues in the General Fund. The Gain Share revenues were not included in the Adopted Budget and the anticipated \$140,000 is over and above the General Fund revenue estimates in the 2013-14 Adopted Budget.

ANALYSIS/INFORMATION

1. **Known Opposition**

There is no known opposition to the proposed action.

2. **Legal Antecedents**

Metro receives of distributions of Community Service Fee (CSF) under the Strategic Investment Programs (SIP) as described in ORS 285C.600 et seq. and the County, City, TVFR, Metro and Port also receive distributions of funds from the Shared Services Fund, which are derived from income taxes, as provided in ORS 285C.639. Pursuant to that statute, the County distributes those funds in the same manner as provided for in the CSF distribution agreement. OAR 123-623-1950(2).

3. **Anticipated Effects**

Metro indirectly increases financial support for school districts in Washington County.

4. Budget Impacts

There is a small loss in potential Gain Share revenue, but because of the uncertainty of those revenues, they are not budgeted on an ongoing basis. The small loss in revenue will have a negligible budgetary impact.

RECOMMENDED ACTION

Staff recommends that the Metro Council authorize the Chief Operating Officer to enter into an agreement regarding to the distribution of Shared Service Fund revenues to Washington County schools, recognizing that the impact on Metro will be minimal.

Agenda Item No. 4.1

Resolution No. 13-4450, For the Purpose of Approving FY
2012-2013 Funding for Community Planning and Development
Grants Funded with Construction Excise Tax.

Resolutions

Metro Council Meeting
Thursday, August 15, 2013
Metro, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING FY 2012-) RESOLUTION NO. 13- 4450
2013 FUNDING FOR COMMUNITY PLANNING)
AND DEVELOPMENT GRANTS FUNDED) Introduced by Chief Operating Officer Martha
WITH CONSTRUCTION EXCISE TAX) Bennett in concurrence with Council
President Tom Hughes

WHEREAS, in 2006, Metro adopted Ordinance No. 06-1115, establishing a construction excise tax (CET) to provide funding to local governments for regional and local planning that is required to make land ready for development after its inclusion in the Urban Growth Boundary; and

WHEREAS, since 2006 Metro has provided approximately \$10 million in CET revenue as grants to local governments, who used the grants to fund their concept and comprehensive planning requirements for land added to the Urban Growth Boundary since 2002; and

WHEREAS, in June of 2009, in accordance with the recommendations of a CET Advisory Committee and Metro Policy Advisory Committee, Metro adopted Ordinance No. 09-1220 extending the Metro CET to September 2014 and maintaining the existing CET tax rate, to provide funding for regional and local planning that is required to make land ready for development after its inclusion in the Urban Growth Boundary; and

WHEREAS, in accordance with Metro Code Chapter 7.04 and the Construction Excise Tax Administrative Rules, the COO established a CET grant applications screening committee (“Grant Screening Committee”) consisting of stakeholders with broad expertise to provide the COO an assessment of the strength of each grant request in accordance with the criteria for the grants program as set forth in Metro Code Chapter 7.04 and the CET Administrative Rules; and

WHEREAS, Metro received twenty six (26) grant request applications from seventeen (17) local governments and their partners; and

WHEREAS, local governments submitted applications for funding of concept planning efforts in Urban Reserve Areas consistent with Metro Title 11 requirements for efficient urbanization of future urban areas; and

WHEREAS, local governments submitted applications for planning projects within the existing UGB that will result in on-the-ground development in centers and employment areas, reuse existing infrastructure, promote private and public partnerships, develop innovative practices that could be transferable to other locations, and realize local aspirations; and

WHEREAS, on July 22, 2013 the Grant Screening Committee submitted its recommendations to the COO of the projects they recommended grant funding; and

WHEREAS, in accordance with Metro Code Chapter 7.04 and the CET Administrative Rules, the COO reviewed the recommendations of the Grant Screening Committee, and presented to the Metro Council the COO’s grant recommendations, and the COO’s analysis of the Grant Screening Committee’s recommendations; and

WHEREAS, the Metro Council has reviewed the recommendations of the COO, the work done by the Grant Screening Committee, the grant applications, the grant evaluation criteria, and the public testimony of grant applicants and other interested members of the public;

NOW THEREFORE, BE IT RESOLVED as follows:

- (1) The Metro Council makes the grant awards for the FY 2012-2013 grant cycle totaling approximately \$4 million, as set forth in Exhibit A, attached hereto and incorporated herein, to those grant recipients and for those projects and in the amounts listed in Exhibit A, contingent upon receipt of adequate CET funds; and
- (2) The Metro Council hereby authorizes and directs the Metro COO and staff, and the Office of Metro Attorney and legal staff, to negotiate Intergovernmental Agreements (“IGAs”) with the grant recipients in substantially the IGA format executed for the 2009 grant cycle or in a format approved by the Office of Metro Attorney, which IGAs shall set forth milestones and funding allocation dates that comply with the Metro Code Construction Excise Tax Chapter 7.04, the CET Administrative Rules, this Resolution No. 13-_____ and Exhibit A attached hereto; and
- (3) The Metro Council hereby directs the Metro COO and her staff to develop a program for monitoring success of the investments over time.

ADOPTED by the Metro Council this _____ day of August, 2013

Tom Hughes, Council President

Approved as to Form:

Alison Kean Campbell
Metro Attorney

EXHIBIT A
COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

*Funding conditions to be addressed in the Intergovernmental Agreement (IGA)

Projects Outside the UGB

Jurisdiction	Project	Award
Beaverton	South Cooper Mountain Planning	\$469,397 (Applicant Match: \$769,833)

Project Description:

Preparation of a concept plan establishing a long-term vision for urbanizing the 2,300 acre project area, including: the 2002 Cooper Mountain UGB addition; the 2011 South Cooper Mountain UGB Addition; and the balance of urban reserve 6B. Title 11 compliant community plans will be prepared for the areas in the UGB to implement the vision in the near-term.

Funding Conditions:

- Develop the deliverables that payments to the city are linked too.
- Metro staff should serve on the city’s technical committee/s overseeing the planning work.
- They should make sure to address financing and governance commitment.
- Offer transportation choices.

Cornelius	Urban Reserves Concept Plan	\$73,000 (Applicant Match: \$7,000)
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Project Description:

The purpose of this project is to prepare and position the Cornelius Urban Reserves for UGB expansion, urbanization and annexation into the City. The project proposes to inventory conditions, estimate build-out, analyze transportation and utility services for development of a Concept Plan.

Funding Conditions:

- Metro should explore encouraging the county to provide matching funds
- Metro staff should serve on the city’s technical committee/s overseeing the planning work.
- They should make sure to address financing and governance commitment.
- Address sustainability, including stormwater/low impact development
- Offer transportation choices.

EXHIBIT A
COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

*Funding conditions to be addressed in the Intergovernmental Agreement (IGA)

Forest Grove	Westside Planning Program	\$123,000 (Application Match: \$49,000)
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Project Description:

Adoption of land use plan, sustainability framework, geo-technical analysis, conceptual traffic network to streamline development review process and issuance of building permits in the developing western portion of city. This project includes completion of a UGMFP Title 11 concept plan for Urban Reserve 7B to support large lot industrial needs.

Funding Conditions:

- It would be good for Forest Grove to talk to Gresham about their eco-industrial site project.
- They should get and use the eco-industrial brochures so they would be aware of those kinds of projects.
- Metro staff should serve on the city’s technical committee/s overseeing the planning work.
- Address sustainability, including stormwater/low impact development.
- They should make sure to address financing and governance commitment.
- Offer transportation choices.

Sherwood	West Concept Plan	\$221,139 (Applicant Match: \$24,570)
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Project Description:

This project identifies the location and type of housing that will best meet the community needs and support multi-modal access and well-connected transportation systems consistent with Title 11. This project will assess barriers and identify the infrastructure investments necessary to support the full build out of the area. Finally, this project will develop a phasing plan for incremental development or inclusion in the UGB while laying the foundation for full build out and provide coordination with Washington County.

Funding Conditions:

- They should be open to best practices and innovation.
- Metro staff should serve on the city’s technical committee/s overseeing the planning work.
- Address sustainability, including stormwater/low impact development.
- They should make sure to address financing and governance commitment.
- Offer transportation choices.

EXHIBIT A
COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

*Funding conditions to be addressed in the Intergovernmental Agreement (IGA)

Wilsonville	Frog Pond/Advance Road Planning	\$341,000 (Applicant Match: \$117,500)
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Project Description:

The project will create one Concept Plan for the Frog Pond and Advance Road areas, and a more detailed Master Plan for the Frog Pond area. The outcome will be Title 11-compliant plans that resolve land use and infrastructure issues and position each area for the next step in urbanization. The Master Plan would detail the land use policies to be applied upon annexation of the property into the city, and include a financing plan for providing needed sewer infrastructure.

Funding Conditions:

- Adresse sustainability, including stormwater/low impact development.
- Metro staff should serve on the city’s technical committee/s overseeing the planning work.
- They should make sure to address financing and governance commitment.
- Offer transportation choices.

Washington County	Concept Planning of Area 93	\$122,605 (Applicant match: \$97,000)
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Project Description:

Once the area is legislatively redistricted, Washington County proposes to complete the concept plan initiated by Multnomah County in 2009. The revised plan will meet county standards, continue public engagement, include existing conditions and transportation framework analysis, and re-initiate partnership support with service providers.

Funding Conditions:

- Adresse sustainability, including stormwater/low impact development.
- Metro staff should serve on the city’s technical committee/s overseeing the planning work.
- They should make sure to address financing and governance commitment.
- Offer transportation choices.

EXHIBIT A
COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

*Funding conditions to be addressed in the Intergovernmental Agreement (IGA)

Projects Inside the UGB

Gresham	Vista Business Park Eco-Industrial Strategies	\$100,000 (Applicant Match: \$415,300)
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Project Description:

The Gresham Vista Business Grant Park grant request – a partnership between the City of Gresham and Port of Portland – will implement four strategies identified in the Gresham Vista Eco-Efficient Implementation Action Plan, provide a framework for eco-industrial development at the site, and a lessons learned report to guide other industrial developments in the region.

Cities of Gresham and Portland	Powell-Division Transit and Development Project	\$481,000 (Applicant(s) Match: \$166,864)
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Project Description:

Gresham: This project, a collaborative effort of Gresham, Portland, Metro and TriMet, will engage the community to create a concept plan for the Inner Powell – Outer Division corridor that identifies a preferred transit mode and concept alignment, and potential transit station areas with the greatest development and placemaking opportunities.

Portland: Engage the community to create a Concept Plan for the Inner Powell –Outer Division Corridor that identifies a preferred transit mode and concept alignment, and potential transit station areas with the greatest development and place-making opportunities.

Funding Conditions:

- Revise the scope of work and budget to match amount of award
- Funding should be used for mostly consultant and/or staff that know how to achieve the assigned objective.
- Metro staff should serve on the city’s technical committee/s overseeing the planning work.
- Leverage knowledge from other (corridor) work done.

EXHIBIT A
COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

*Funding conditions to be addressed in the Intergovernmental Agreement (IGA)

Happy Valley	RCEC Infrastructure Funding Plan	\$53,100 (Applicant Match: \$20,500)
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Project Description:

The preliminary scope of the project is to create a RCEC Infrastructure Funding Plan as the next toward “development ready” sites in this approximately 200 buildable acre, Regionally Significant Industrial/Employment Area.

Funding Conditions:

- Encourage city to be creative.
- Metro has a tool kit they can utilize.
- City must guarantee the match.

King City	King City Town Center Plan & Implementation Strategy	\$75,000 (Applicant Match: \$15,000)
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Project Description:

Refine the King City Town Center/Corridor concepts developed by Metro and Tigard into a specific plan including: land use/urban design/circulation/redevelopment provisions, a detailed implementation strategy, with a focus on redevelopment, spelling out tasks to complete immediately and in the short-long-term, the responsible parties, known and funding sources, and necessary coordination.

Funding Conditions:

- Metro should build conditions into the IGA that the City go back to the private sector for some involvement; This provides an opportunity for a strong letter of interest from a developer who will consider implementation.
- Contacting property owners could be done as an early milestone in the IGA.
- City should involve a contract city engineer.
- City must guarantee the match.
- They should consider and address how this project would leverage the work done in the Southwest Corridor Plan.

Lake Oswego	SW Employment Area Plan	\$80,000 (Applicant Match: \$71,000)
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Project Description:

The City proposes creation of a special district plan that will involve the community a redevelopment plan for an underdeveloped industrial area in southwestern Lake Oswego. The plan will address the mix of uses to be permitted, transportation and multi-modal improvements, regulatory standards, and financing strategies.

EXHIBIT A
COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

*Funding conditions to be addressed in the Intergovernmental Agreement (IGA)

Oregon City	Willamette Falls Legacy Project	\$300,000 (Applicant Match: \$281,641)
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Project Description:

The purpose of this grant is to select a Consulting Team to assist the City of Oregon City, in cooperation with the bankruptcy trustee, in completing a Master Plan and Rezoning of the former Blue Heron Paper Mill Site. This planning project will create a vision for the site through a robust public process that respects the history and nature of the land and provides needed certainty to the development community by removing or reducing barriers to site redevelopment.

Funding Conditions:

- A primary factor for the Screening Committee comments and recommendations was the mandate to focus on applications that produce short-term investment and implementation. In that spirit, there was a consensus that this is an important project and recommends a potential grant of \$300,000, which is however, conditioned on the applicant submitting a revised proposal that addresses the committee’s concern that the goals of the owners as represented by the trustee, City of Oregon City, Metro, and the wishes and ideas resulting from public involvement in the design consultant team process, will align with the capabilities and willingness of the purchaser. The concern is, can the process effectively lead to implementation. The overriding basis for recommending funding is the assurance that implementation and the methods for accomplishing such are the immediate focus, and it is in that spirit that the Committee provides this important upfront communication about capacity to implement.
- Metro could fund an initial start-up cost to see if the trustee will work with the city and/or to develop an agreement between the two. It is pointless to fund a property for someone else to develop without them being involved. The potential owner needs to get involved somehow.
- What complicates this application is that now there are new circumstances due to a possible buyer and the committee wants to make sure that the conditions reflect the current development.

**The COO recommends Metro allocate an additional \$100,000 from the Natural Areas Programs for this project.*

Portland (Ranked #1)	Mixed-Use Zoning Project	\$380,759 (Applicant Match: \$207,900)
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Project Description:

Revise Portland’s mixed use zoning regulations to better implement new Comprehensive Plan policies that focus growth and development in mixed-use centers, corridors, and station areas across the city, providing local services, additional housing, and employment opportunities. Engage neighborhoods and the development community to ensure that both perspectives are represented in solutions.

Funding Conditions:

- Revise the scope of work and budget to match amount of award
- City must guarantee the match.
- Shift some of the labor from staff to consultant/s

EXHIBIT A
COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

*Funding conditions to be addressed in the Intergovernmental Agreement (IGA)

Tigard (Ranked #1)	Terrace Community Plan Implementation	\$245,000 (Applicant Match: \$432,473)
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Project Description:

A concept plan has been prepared for the area and adopted by the City. This grant application will fund two critical elements of the River Terrace Community Plan: a Public Facility Plan Update; and an infrastructure Financing Strategy. All other aspects of the Community Plan will be funded by the City with existing resources.

Tigard (Ranked #2)	Downtown Tigard Mixed-Use Development Projects	\$100,000 (Applicant Match: \$130,340)
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Project Description:

The Tigard Mixed-Use Development Project will focus on two significant catalytic redevelopment opportunities that require pre-development analysis and strategy in order to be successful. George Diamond Properties and the City’s urban renewal agency will partner on: a site owned by the City of approximately 3.26 acres; and a separate 3 acre site to be acquired by the developer.

Funding Conditions:

- The project could be conditioned based on the environmental clean-up.
- City must guarantee the match

Sherwood & Washington County	<ol style="list-style-type: none"> 1) City of Sherwood/Tonquin Employment Area Implementation Plan 2) Washington County/ Industrial Lands Analysis 	Recommendation: Combined Partial Funding for City of Sherwood and Washington County: \$255,000 (Combined Match: \$116,378)
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Project Description:

Sherwood project: The City proposes to conduct implementation planning efforts for the Tonquin Employment Area, brought into the UGB in 2009 as a future employment area, and initially concept planned in 2010 and part of the 2012 Regional Industrial Site Readiness project. This project will refine the infrastructure needs for development with potential phases for annexation, re-examine the market conditions to determine highest and best use, identify barriers to those sectors, and develop a marketing strategy with SW Tualatin Concept Plan.

Washington County project: A partnership with Washington County and the cities of Hillsboro, Forest Grove, Sherwood, Tualatin and Wilsonville, with assistance from the Port of Portland. This project utilizes the framework of the 2012 Regional Industrial Site Readiness Project to complete detailed site assessments for 15 large lot industrial sites within Washington County.

Funding Conditions:

- Funding conditions considered for these two projects in the same County with similar work scope of work:

EXHIBIT A
COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

*Funding conditions to be addressed in the Intergovernmental Agreement (IGA)

- Combine the two projects and state that Sherwood has to be studied for sure, as long as the direction to the jurisdictions is clear.
- Washington County and City of Sherwood should share information
- County and City should revise the scope of work and budget to match amount of award
- City must guarantee the match.

West Linn	Arch Bridge/Bolton Center	\$220,000 (Applicant Match: \$80,000)
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Project Description:

The City requests funding for a master plan and financing strategy for the Arch Bridge/Bolton area, identified as a town center in the Metro 2040 Growth Concept, to guide redevelopment in the area, to maximize the potential of the area, complement plans for the redevelopment of the former Blue Heron mill across the river, and avoid independent actions that may foreclose preferred redevelopment options for the area.

Clackamas County (Ranked #1)	Clackamas County Strategically Significant Employment Lands	\$200,000 (Applicant Match: \$273,110)
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Project Description:

Clackamas County has created an inventory of employment lands that has varying states of readiness. This Project will provide a better understanding of the investment required to make significant sites “development ready” as well as associated economic return, in order to ensure the County’s competitiveness.

Funding Conditions:

- Revise the scope of work and budget to match amount of award

EXHIBIT A
COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

*Funding conditions to be addressed in the Intergovernmental Agreement (IGA)

Clackamas County (Ranked #3)	Clackamas Regional Center Area Performance Measures and Multi Modal Area Project	\$160,000 (Applicant Match: \$20,000)
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Project Description:

The Project will recommend alternative transportation system performance measures and the designation of a Multi-modal Mixed-use Area (MMA) for the Clackamas Regional Center Area as allowed by the Transportation Planning Rule. The Project may also recommend an alternate approach to transportation infrastructure funding within the MMA.

Funding Conditions:

- The County should identify upfront what MMA best practices information they get and commit to sharing with Metro so that region learns from it.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 13-4450, FOR THE PURPOSE OF APPROVING FY 2012-2013 FUNDING FOR COMMUNITY PLANNING AND DEVELOPMENT GRANTS FUNDED WITH CONSTRUCTION EXCISE TAX

Date: July 30, 2013

Prepared by: Gerry Uba, 503-797-1737

BACKGROUND

Over the years, Metro and local governments have used the 2040 Growth Concept to manage growth in this region, and have made progress in creating vibrant and livable centers and communities across the region. Despite the progress, this region continues to face challenges in providing jobs, improving aging infrastructure, providing transportation and housing choices, supporting sustainable development, and carrying out planning and development to accommodate the growth expected. These challenges prompted the Metro Council to establish the construction excise tax (CET) grant in 2006 to promote planning activity that makes land ready for development, removes barriers to private investment in development and realize the aspirations of communities in the region. The first grant cycle funded concept planning projects in areas brought into the Urban Growth Boundary in 2002 and 2004.

In 2009, The Metro Chief Operating Officer (COO) appointed a CET Advisory Committee to provide advice regarding the extension of the CET for the purpose of funding local and regional planning efforts. The committee concluded that it was in the best interest of the region to extend the CET. In June 2009, Metro Council adopted Ordinance No. 09-1220 which extended the Metro CET to September 2014, and maintained the existing CET tax rate to provide funding for local and regional planning. Per council direction, the Chief Operating Officer promulgated administrative rules for the CET that specify a competitive grant application process, eligibility requirements, evaluation criteria, and call for review of the grant applications by an outside grant screening committee.

As stated in the Administrative Rules, 50 percent of projected revenue for Cycle 3 grants is earmarked for planning projects in areas added to the UGB since 2009 and Urban Reserves. In November 2012, the COO convened the CET Administrative Rules Advisory Committee to review the Administrative Rules and recommended new criteria for evaluating projects proposed in the new urban areas and Urban Reserves, and recommended changes to the existing criteria for evaluating projects proposed inside the UGB. After consultation with the Metro Council, the Chief Operating Officer (COO) approved revised Administrative Rules that stated the criteria for evaluating community planning and development projects proposed in areas outside the UGB and areas inside the UGB.

The chart below shows the distribution of the grant funds since 2006 with 25 planning projects receiving the fund from Cycle 1, and 17 projects receiving Cycle 2 grant awards in FY 2009-10.

Grant Cycles	Project Type	Start	Total Grant Awards	Number of Projects
Cycle 1	Focused on concept planning for areas recently brought into UGB	FY 2006-2007	\$6.2 million	25
Cycle 2	Focused on community and economic development inside the UGB	FY 2009-2010	\$3.7 million	17
Cycle 3	Intended for community and economic development inside the UGB and 50% for new urban areas and urban reserves.	Proposed FY 2012-2013	(Anticipated funding revised up from \$3.7m to \$4.0m)	TBD

On January 16, 2013, the Cycle 3 grant process was initiated with a pre-application meeting with potential applicants and solicited applications from all 25 cities and three counties within the Metro jurisdictional boundary, and any other local governments as defined in ORS 174.116 in partnership with such city or county. Staff used the Application Handbook to explain the grant process and the evaluation criteria (summarized below).

Evaluation Criteria

The CET Administrative Rules established two sets of criteria; one for use in evaluating the applications for projects in new urban areas and Urban Reserves, and the other set for use in evaluating the applications for projects inside the UGB.

The criteria for evaluating the applications for projects proposed in new urban areas and Urban Reserves are summarized as:

- *Title 11 requirements for concept plan or comprehensive plan:* Describe how the proposed planning grant will address the requirements for either a concept plan or comprehensive plan or both as described in Title 11.
- *Requirements for meeting local needs and contributing solutions to regional need:* Describe how the proposal will meet community needs such as mixed use development and/or large lot industrial sites which are anticipated to continue to be regional needs.
- *Title 11 requirements for jurisdictional and service provider commitments:* Describe the commitment of all local governments involved in the planning effort, and describe how governance issues, including roles and responsibilities will be resolved through the planning process.
- *Readiness of land for development in areas added to the UGB since 2009:* Demonstrate that market conditions would be ready to support development and efficient use of land or how the project would influence market conditions.
- *Best practices:* Highlight the elements of the proposed project that reflect best practices and how the expected outcomes from the project will be shared.
- *Leverage:* Describe how the proposed project will leverage past or future public or private investments such as past or future investments in high capacity transit in station areas.
- *Match Fund/Potential:* Describe the match potential, committed or pending, and document same in the proposed budget and in letters of commitment and supports.

Final Draft

- *Equity*: Describe the extent that your community has or has not received grants funded through the CET and the extent that your community generates these funds. Describe the special resource needs for your jurisdiction.
- *Public Involvement*: Describe how the public, including citizens and businesses and appointed advisory committees will be involved in the proposed project.

The criteria for evaluating the applications for projects proposed inside the UGB are summarized as:

- *Expected development outcome*: Describe the partnerships with property owners or other conditions that affect your estimate that the proposed project will lead to issuance of development permits within two or five years. For community readiness, describe the past investments and actions that are in place now that will support the expected outcomes of the project.
- *Regionally significant*: Describe the elements of the project that will support vibrant communities, economic prosperity, safe and reliable transportation, sustainability and climate smart communities, the healthy environment and equity, considering disadvantaged populations and other needs.
- *Location*: Describe how the proposed project will promote the vision for centers and corridors, employment and industrial areas on the 2040 Growth Concept map.
- *Best practices*: Highlight the elements of the proposed project that reflect best practices and how the expected outcomes from the project will be shared.
- *Leverage*: Describe how the proposed project will leverage past or future public or private investments such as past or future investments in high capacity transit in station areas.
- *Match Fund/Potential*: Describe the match potential, committed or pending, and document same in the proposed budget and in letters of commitment and supports.
- *Equity*: Describe the extent that your community has or has not received grants funded through the CET and the extent that your community generates these funds. Describe the special resource needs for your jurisdiction.
- *Public Involvement*: Describe how the public, including citizens and businesses and appointed advisory committees will be involved in the proposed project.

Letters of Intent and Applications

The Administrative Rules required applicants to submit pre-grant-letters of intent (LOI) for the Screening Committee and staff to review them for completeness and suggest how the proposals could be strengthened for full applications. By the February 15, 2013 deadline, Metro received 31 LOIs from 18 local governments. By the April 18, 2013 deadline for applications, Metro received six applications for projects outside the UGB submitted by six local governments requesting \$1,350,141, and 20 applications for projects inside the UGB from 12 local governments requesting \$4,098,198. In total, the applications requested approximately \$5.4 million (see Attachment 1).

The proposed projects fell into seven broad categories; a) concept planning; b) concept planning with development of comprehensive plan; c) development of area plans that promotes use of the infrastructure that is in place to boost redevelopment and revitalize the areas for sustainable new sectors; d) development of area plans for financing new infrastructure and infrastructure update to get employment land ready for development and attract private investment in these areas; e) implementation of strategies for attracting public and private investment in targeted mixed used areas; f) zoning regulation update to implement comprehensive plan goals and objectives; and g) longer term planning studies to identify locations to optimize urban land use patterns and develop the infrastructure

needed to meet local aspirations. Most of the proposed projects are in single locations of 3.26 acres to 2,300 acres scale, while few of them are intended to focus on multiple locations, and others will focus on long corridors of one to 13 miles.

Screening Committee and the Review Process

Upon approving the revised Administrative Rules in December 2012, the COO appointed the nine member Screening Committee reflecting varied expertise in the public and private sector in finance, planning, design and development fields. The Committee was required to review the applications with evaluation criteria and present their recommendations to the COO. The Screening Committee met and evaluated the 26 applications in May through July 2013. See Attachment 2 for the evaluation criteria in the Application Handbook.

Recommendations

The Screening Committee concluded that most of the proposed projects in the applications reflected a strong commitment to make this region a great place. On July 22, 2013 the Screening Committee submitted recommendations to the Metro COO, including recommended grant amounts for each application (see Attachment 3).

The Committee recommended funding as follows:

- Increase Funding for two projects for a total of \$275,000
- Full Funding for twelve projects for a total of \$2,456,241
- Partial Funding four projects for a total of \$1,005,000

After considering the Screening Committee recommendations, the COO prepared her recommendations, as presented in this resolution. The initial projected CET revenue was revised by the Office of the Chief Financial Officer from \$3.7 million to \$4 million. With these information, the COO recommendations call for:

- No increased funding for any project.
- Full Funding for 14 projects for a total of \$2,383,241
- Partial Funding six projects for a total of 1,616,759

The COO sent her recommendations to the Metro Council separately from this resolution. The recommendations reflect the Screening Committee recommendations with a few exceptions and the slight increase in projected CET revenue.

The recommended projects have the potential to create visible impact in the communities, attract a variety of partners, and produce innovative best practices that can be transferred to other communities. In total, the recommended projects have the ability to leverage an additional \$4 million in public and private match contributions.

The COO recommendations include some funding conditions to be fulfilled by grant recipients. These conditions are shown in Exhibit A to this resolution. These conditions are intended to ensure that the projects are successful and meet the objectives of the grant program.

The recommendations of the Screening Committee and the COO do not include funding for six applications. The COO encourages these jurisdictions to refine their project proposals and be ready to

resubmit them if the Metro Council extends the CET. In addition, the COO encourages local government staff to seek the input and assistance from Metro staff in refining their applications.

Upon award of the grants by the Metro Council, staff will negotiate intergovernmental agreements (IGA) with the grantees. Additional conditions may be included in the IGA, such as metrics for successful planning to be used to inform the citizens of the region about the results of individual projects, payment procedures, eligible expenses, documentation related to implementation of tasks involved in the projects, maintenance of project records, and audits, inspections and retention of records, and encouraged to seek out local minority-owned, women-owned and emerging small businesses for professional services.

ANALYSIS/INFORMATION

1. Known Opposition

There is no known opposition to the proposed Grant allocation amounts, except potentially from several of the grant applicants who will not be receiving CET funding.

2. Legal Antecedents

Ordinance 06-1115, "Creating a New Metro Code Chapter 7.04 Establishing a Construction Excise Tax" was adopted on March 23, 2006; Ordinance 09-1220, "Extending the Metro Construction Excise Tax and Amending Metro Code Chapter 7.04" was adopted on June 11, 2009.

3. Anticipated Effects

This Resolution designates Community Planning and Development Grant Awards funded with CET subject to receipt of CET funds. The planning projects will be implemented over a period of one to three and half years.

4. Budget Impacts

The FY 2012/2013 and FY 2013/2014 budgets included resources for staff in the Planning and development to work on this project. In the FY 2013/2014 budget there are sufficient funds to produce and distribute the next brochure to inform stakeholders and other citizens of the region about how the grant is supporting local communities and the region to put plans into actions.

RECOMMENDED ACTION

The Chief Operating Officer recommends adoption of Resolution No. 13-4450.

ATTACHMENT 1 (to Staff Report)

**Metro Cycle 3 CPD Grants Applications and Amount Requested
(7/29/13)**

#	Jurisdiction	Proposed Project	Amount Requested
PROJECTS LOCATED IN AREAS ADDED TO THE UGB SINCE 2009 AND IN URBAN RESERVES			
1	Beaverton	South Cooper Mtn. Concept & Community Plan (1)	469,397
2	Cornelius	City of Cornelius Urban Reserves Concept Plan	73,000
3	Forest Grove	Forest Grove Westside Planning Program	123,000
4	Sherwood	West Sherwood Concept Plan	221,139
5	Wilsonville	Frog Pond / Advance Road Concept Plan	341,000
6	Washington County	Concept Planning of Area 93 (1)	122,605
Subtotal			\$1,350,141
PROJECTS LOCATED INSIDE THE UGB			
1	Gresham	GVBP Eco-Ind. Green Infra. MP Design/Dev. Standards (1)	100,000
2	Gresham & Portland	Powell-Division Transit & Dev. Project (2) (Gresham portion)	364,000
		Powell-Division Transit & Dev. Project (3) (Portland portion)	450,000
3	Happy Valley	RCEC Infrastructure Funding Plan	53,100
4	Hillsboro	Hillsboro Downtown 10th Avenue Corridor Plan	185,000
5	King City	King City Town Center Action Plan	75,000
6	Lake Oswego	Lake Grove Village Center Parking Plan (1)	60,000
7		Lake Oswego SW Employment Area Plan (2)	80,000
8	Oregon City	Willamette Falls Visioning/Master Plan	400,000
9	Portland	Mixed-used Zoning Project (1)	425,500
10		Central City Parking Policy Project (2)	250,000
11		Campus Institution Zoning Update (4)	110,000
12	Sherwood	Tonquin Employment Area Master Plan (?)	143,955
13	Tigard	River Terrace Community Plan Implementation (1)	245,000
14		Downtown Tigard Mixed-Use Dev. Projects (2)	100,000
15	West Linn	Arch Bridge / Bolton Center	220,000
16	Clackamas County	Strategically Significant Employment Lands Project (1)	221,000
17		Multi-Use Development in Corridors (2)	120,890
18		Performance Measures and MMA Project (3)	160,000
19	Washington County	Washington County Large Lot Ind. Site Assessments (2)	227,500
20		Urban Design Plan for N. Bethany Main Street (3)	107,253
Subtotal			\$4,098,198
GRANT TOTAL			\$5,448,339

ATTACHMENT 2 (to Staff Report)

Evaluation Criteria for Applications submitted for Cycle 3 Community Planning and Development Grants funded with construction excise tax

Evaluation criteria for projects located within the current Urban Growth Boundary (pre 2009)

Expected Development Outcomes: Explain how the proposed planning and development grant will increase ability to achieve on-the-ground development/redevelopment outcomes. Address:

- a) Identification of opportunity site/s within the boundary of the proposed project area with catalyst potential that focus on jobs growth and/or housing. Explain the characteristics of the site/s and how the proposed project will lead to a catalytic investment strategy with private and public sector support.
- b) The expected probability that due to this planning and development grant, development permits will be issued within two years;
- c) The expected probability that due to this planning and development grant, development permits will be issued within five years;
- d) The level of community readiness and local commitment to the predicted development outcomes; considerations include:
 - 1) Development sites of adequate scale to generate critical mass of activity;
 - 2) Existing and proposed transportation infrastructure to support future development;
 - 3) Existing urban form provides strong redevelopment opportunities;
 - 4) Sound relationship to adjacent residential and employment areas;
 - 5) Compelling vision and long-term prospects;
- e) Describe the roles and responsibilities of the applicant and county or city, and relevant service providers for accomplishing the goals of the proposed project.

Regionally Significant: Clearly identify how the proposed planning grant will benefit the region in achieving established regional development goals and outcomes, including sustainability practices¹, expressed in the 2040 Growth Concept and the six Desired Outcomes adopted by the region to guide future planning, which include:

- a. People live and work in vibrant communities where they can choose to walk for pleasure and to meet their everyday needs;
- b. Current and future residents benefit from the region's sustained economic competitiveness and prosperity;
- c. People have safe and reliable transportation choices that enhance their quality of life;
- d. The region is a leader in minimizing contributions to global warming;
- e. Current and future generations enjoy clean air, clean water and healthy ecosystems;
- f. The benefits and burdens of growth and change are distributed equitably.

¹ Explain how the proposed project will incorporate sustainability practices, such as using centers and corridors to refocus urban land uses, fostering urban redevelopment that uses existing infrastructure and recycling existing buildings, incorporating eco-industrial and eco-district development concepts, consideration of the impact of housing and transportation costs in planning and development decisions, incorporating natural areas, open spaces and green infrastructure development for treating waste and storm water, and incorporating urban agriculture and other means of enriching the regional food system.

Location: Discuss whether and how the proposed planning grant facilitates development or redevelopment of:

- a. Centers;
- b. Corridors/Main Streets;
- c. Station Centers; and/or
- d. Employment & Industrial Areas
- e. Areas where concept planning has been completed but where additional planning and implementation work is needed in order to make these areas development ready.

Best Practices Model: Consideration will also be given to applications that can be easily replicated in other locations and demonstrate best practices.

Leverage: Discuss whether and how the proposed planning grant will leverage outcomes across jurisdictions and service providers, or create opportunities for additional private/public investment. Investments can take the form of public or private in-kind or cash contributions to the overall planning activity.

Matching Fund/Potential: Discuss whether any portion of the total project cost will be incurred by the applicant and/or its partners. Explain specific portions of the work scope the match money would fund.

Equity: Discuss whether and how the proposed planning grant will further the equitable distribution of funds, based on collections of revenues, past funding, and planning resource needs.

Public Involvement: Discuss whether and how the public, including neighbors to the project, businesses, property owners and other key stakeholders, and disadvantaged communities including low income and minority populations, will be informed on the progress of the project and how their input will be used to strengthen the project outcome.

Attachment B (continued)

Evaluation Criteria for Applications submitted for Cycle 3 Community Planning and Development Grants funded with construction excise tax

Grant Evaluation Criteria for projects located within areas added to the UGB since 2009 and Urban Reserves

The grant request for proposed projects in both areas added to the UGB since 2009 and Urban Reserves shall specifically address how the proposed grant achieves, does not achieve, or is not relevant to the following criteria, drawn from the Urban Growth Management Functional Plan (UGMFP). While the UGMFP's Title 11 (Planning for New Urban Areas) calls for completion of a concept plan prior to Council decision to add the area to the UGB, Metro Council award of grants for concept planning in Urban Reserves should not be interpreted as a commitment by the Council to add the rest of the area to the UGB in the next cycle. Applications should note whether the planning project includes an Urban Reserve area currently being appealed in the Court of Appeals or other venues. The Screening Committee shall emphasize using available funds to spur development.

Addresses Title 11 requirements for concept plan or comprehensive plan: Clearly describe how the proposed planning grant will address the requirements for either a concept plan or comprehensive plan or both as described in Title 11.

- a) If not proposing to complete a full plan, describe how the portion proposed will result in an action that secures financial and governance commitment for the next steps in the planning process.
- b) If not proposing a planning grant for the full Urban Reserve area, describe how the proposal would address the intent for complete communities as described in the urban reserve legislative intent, Urban and Rural Reserve intergovernmental agreements between Metro and counties, and Title 11.

Addresses how the proposed projects will meet local needs and also contribute solutions to regional need: Describe how the proposal will meet a variety of community needs, including land uses such as mixed use development and/or large lot industrial sites which are anticipated to continue to be regional needs.

Demonstrates jurisdictional and service provider commitments necessary for a successful planning and adoption process: Applications should reflect commitment by county, city and relevant service providers to participate in the planning effort and describe how governance issues will be resolved through the planning process. Describe the roles and responsibilities of the county, city and relevant service providers for accomplishing the commitments.

Address readiness of land for development in areas added to the UGB since 2009: For applications in areas added to the UGB since 2009, demonstrate that market conditions would be ready to support development and efficient use of land or define the steps that the project would undertake to influence market conditions.

Best Practices Model: Consideration will also be given to applications that can be easily replicated in other locations and demonstrate best practices.

Leverage: Discuss whether and how the proposed planning grant will leverage outcomes across jurisdictions and service providers, or create opportunities for additional private/public investment. Investments can take the form of public or private in-kind or cash contributions to the overall planning activity.

ATTACHMENT 3

(to Staff Report)

600 NE Grand Ave.
Portland, OR 97232-2736

www.oregonmetro.gov



Metro | Memo

Date: July 22, 2013

To: Martha Bennett, Chief Operating Officer

From: Tim Smith, Chair, CPDG Screening Committee

Subject: Community Planning & Development Grant Screening Committee Recommendations

A handwritten signature in black ink, appearing to read 'Tim Smith'.

As chair of the Community Planning and Development Grant Screening Committee, I am pleased to present our recommendations for the Cycle 3 grant awards. The Committee reviewed and provided comments on the Letters of Intent submitted by prospective applicants/local governments before they sent their full grant applications. Over three meetings in the last two months, we reviewed and evaluated 26 applications submitted by 16 local governments across the Metro region. Based on the mix of views and background of the committee members, we had a lively and thorough discussion of the merits of the applications. Our discussions were guided by an overarching direction in the Construction Excise Tax Administrative Rule – “The Screening Committee shall emphasize using funds to spur development.”

My colleagues on the Committee and I were impressed with most of the proposed community planning and development projects. These projects reflect a strong commitment to make the Metro region a great place. These applications addressed most or some of the two sets of criteria established in the Administrative Rules for projects proposed outside the UGB (in new urban areas and Urban Reserves) and inside the UGB. The total request for the six projects outside the UGB was \$1,350,141, while the total request for the 20 projects inside the UGB was \$4,096,858, bringing the grant total request to \$5,446,999. As you know, the estimated CET revenue for Cycle 3 grant awards was \$3.7 million, which meant that the Committee needed to make some tough decisions. Our recommended funding levels for projects both outside and inside the UGB has been revised up from \$3,697,131 to \$3,736,241 due to an error in the information we worked with at our last meeting. However your staff has assured me that the agency will be able to meet this funding level. We started our evaluation with projects outside the UGB because the total request (\$1,350,141) was less than 50% of estimated construction excise tax revenue (\$1,850,000), and the remaining balance was added to the fund available for projects inside the UGB.

Attachment A contains the lists of projects recommended for increased funding, full funding, partial funding, and no funding while Attachment B contains summary information for each project and our recommendation summary, concerns and funding conditions. Attachment B is organized by two major sections: “community planning and development projects recommended for funding” and “community planning and development projects recommended for no funding.” Within the first section, there are two subsections “projects outside the UGB” and “projects inside the UGB.”

Following are the community planning and development planning projects recommended for increased funding, full funding, partial funding, and for no funding.

Projects recommended for Increased Funding for a total of \$275,000:

These projects are needed and there was unanimous agreement that the cost of implementing these two projects were grossly underestimated by the applicants. We are recommending levels of funding that should be adequate, but have attached conditions to the increased funding. Our Committee strongly recommends that Metro should encourage applicants of these projects to implement the funding conditions (Attachment B) we recommend so as to achieve the goals of these projects. The projects are:

- *Outside the UGB:* Cornelius: Urban Reserves Concept Plan
- *Inside the UGB:* King City: Town Center Action Plan

Projects recommended for Full Funding for a total of \$2,456,241:

These projects scored high on most of the evaluation criteria. The projects outside the UGB reflect viable future urban development. Those inside the UGB reflect broad geographic distribution, 2040 centers and corridors locations, and a mix of industrial and mixed use development. These projects also demonstrate potential to have visible results in the short term and make large impacts on the community. Most of them include business endorsements and partnerships and public involvement in the planning process. Many proposed innovative approaches that could be transferable to other locations and would serve needy areas. The applicants and projects are:

Outside the UGB:

- Beaverton: South Cooper Mountain Concept & Community Plan
- Forest Grove: Westside Planning Program
- Sherwood: West Sherwood Concept Plan
- Wilsonville: Frog Pond/Advance Road Concept Plan
- Washington County (County Rank #1): Washington County Concept Planning of Area 93

Inside the UGB:

- Gresham Vista Business Park Eco-Industrial Strategies
- Happy Valley: Rock Creek Employment Center Infrastructure Funding Plan
- Lake Oswego: SW Employment Area Plan
- Tigard (City Rank #1): River Terrace Community Plan Implementation
- Tigard (City Rank #2): Downtown Tigard Mixed-Use Development Projects
- West Linn: Arch Bridge/Bolton Center
- Clackamas County (County Rank #1): Strategically Significant Employment Lands Project
- Clackamas County (County Rank #3): Clackamas Regional Center Area Performance Measures and Multi Modal Area Project

The Committee has recommended conditions of funding for many of these projects.

Projects recommended for Partial Funding for a total of \$1,005,000:

These applications present the challenges of short/versus long-term planning for development projects that will start in two to five years. In most cases these projects proposed tasks and deliverables that were unclear, but proposed long term concept planning that has the potential to lay a solid foundation for the creation of livable and sustainable communities. Our Committee strongly recommends that Metro should encourage applicants of these projects to work with Metro to implement the funding conditions we recommend for achieving the goals of these projects. The applicants and projects are:

Outside the UGB: None

Inside the UGB:

- Gresham (City Rank #2) and Portland (City Rank #3): Powell-Division Transit & Development Project
- Oregon City: Willamette Falls Visioning/Master Plan
- Portland (City Rank #1): Mixed-Use Zoning Project
- Sherwood /Washington County (County Rank #2): Tonquin Employment Master Plan/ Washington County Large Lot Ind. Site Assessments

Projects recommended for No Funding:

Our Committee did not rate these projects highly for a variety of reasons including the following: The perception that the proposal was not persuasive; the proposal did not address most of the criteria well; the proposed tasks and deliverables were unclear; it was unclear who would benefit from the project; the proposal lacked buy-in of property owners, past efforts have been unsuccessful; and a lack of clarity as to how the project would leverage development. Our Committee strongly recommends that Metro should encourage applicants of those projects to improve their applications and re-submit them in the next grant cycle.

The applicants and projects are:

Outside the UGB: None

Inside the UGB:

- Hillsboro: Downtown 10th Avenue Corridor Plan
- Lake Oswego (City Rank #1): Lake Grove Village Center Parking Plan
- Portland (City Rank #2): Central City Parking Policy Project
- Portland (City Rank #4): Campus Institution Zoning Update
- Clackamas County (County Rank #2): Multi-use Development in Corridors
- Washington County (County Rank #3): Urban Design for North Bethany Main Street

Other Recommendations:

Our Committee also recommends the following actions for Metro:

- Consider forming a finance and governance team to provide technical assistance to the jurisdictions undertaking concept planning of urban reserves because most of the applications were weak in this area. This approach will minimize or eliminate the matter of local governments going through the same planning problems repeatedly.
- Consider creating an infrastructure analysis team to assist with concept planning of urban reserves. Predicting 50 or more percent of future required infrastructure is difficult. While a lot of concept planning has been completed it has not yielded a lot of development because of this infrastructure issue.
- Work closely with cities to coordinate and connect with neighboring jurisdictions embarking on similar community planning and development planning projects, such as Cooper Mountain and Frog Pond.
- Work closely with Clackamas County on the Clackamas Regional Center Area Performance Measures and Multi-Modal Area Project which could be an effective pilot project for other jurisdictions. Currently the transportation system performance measures and the designation of Multi-Modal Mixed Use Areas restrict development in centers. If this project is successful, it could be applied throughout the region.
- Consider using future changes to the CET Administrative Rules as the medium for addressing some the above recommendations, as well as review the skill set and structure of the Screening Committee so as to accommodate the absence of any skill during the evaluation meetings.

I will be happy to join you in presenting all of these recommendations to the Metro Council in August if you so desire.

On behalf of the members of the Screening Committee, I want to thank you for giving us the opportunity to participate in this process and to assist Metro in funding community planning and development planning projects that support the 2040 vision.

Attachments

Attachment A (Chair Smith memo to COO)

CPDG Screening Committee Recommendations for Increased, Full, Partial, and No Funding

Projects Recommended for Increase Funding (Outside & Inside UGB)

City/County	Project Name	Amount Requested	Funding Rec.	Outside/ Inside the UGB	Funding Condition Yes / No
Cornelius	Urban Reserves Concept Plan	\$73,000	\$125,000	Outside	Yes
King City	King City Town Center Action Plan	75,000	150,000	Inside	Yes
TOTAL		\$148,000	\$275,000		

Projects Recommended for Full Funding(Outside & Inside UGB)

City/County	Project Name	Amount Requested	Funding Rec.	Outside/ Inside the UGB	Funding Condition Yes / No
Beaverton	South Cooper Mtn. Concept & Community Plan	\$469,397	\$469,397	Full	Yes
Forest Grove	Forest Grove Westside Planning Program	123,000	123,000	Full	Yes
Sherwood	West Sherwood Concept Plan	221,139	221,139	Full	Yes
Wilsonville	Frog Pond / Advance Road Concept Plan	341,000	341,000	Full	Yes
Washington Co. (County Rank #1)	Concept Planning of Area 93	122,605	122,605	Full	Yes
Gresham (City Rank #1)	Gresham Vista Business Park Eco-Industrial Strategies	100,000	100,000	Inside	-
Happy Valley	Rock Creek Employment Center Infrastructure Funding Plan	53,100	53,100	Inside	Yes
Lake Oswego (City Rank #2)	Lake Oswego SW Employment Area Plan	80,000	80,000	Inside	-
Tigard (City Rank #1)	River Terrace Community Plan Implementation	245,000	245,000	Inside	-
Tigard (City Rank #2)	Downtown Tigard Mixed-Use Development Projects	100,000	100,000	Inside	Yes
West Linn	Arch Bridge/Bolton Center	220,000	220,000	Inside	-
Clackamas County (County Rank #1)	Strategically Significant Employment Lands Project	221,000	221,000	Inside	-
Clackamas County (County Rank #3)	Clackamas Regional Center Area Performance Measures and Multi Modal Area Project	120,890 160,000	160,000	Inside	Yes
TOTAL		\$2,456,241	\$2,456,241		

Attachment A (continued)

CPDG Screening Committee Recommendations for Increased, Full, Partial, and No Funding

Projects Recommended for Partial Funding (Inside UGB)

City/County	Project Name	Amount Requested	Funding Rec.	Outside/ Inside the UGB	Funding Condition Yes / No
Gresham & Portland (Gresham Portion) (Gresham City Rank #2) (Portland Rank #3)	Powell-Division Transit & Development Project	\$812,290	\$200,000	Inside	Yes
Oregon City	Willamette Falls Visioning/Master Plan	400,000	300,000	Inside	Yes
Portland (Rank #1)	Mixed-Use Zoning Project	425,502	250,000	Inside	Yes
Sherwood (City Rank #2)/Washington County (City Rank #2)	Tonquin Employment Master Plan/Washington County Large Lot Ind. Site Assessments	371,495	255,000	Inside	Yes
TOTAL		\$2,009,287	\$1,005,000		

Projects Recommended for No Funding (Inside the UGB)

City/County	Project Name	Amount Requested
Hillsboro	Downtown 10th Avenue Corridor Plan	\$185,000
Lake Oswego (City Rank #1)	Lake Grove Village Center Parking Plan	60,000
Portland (City Rank #2)	Central City Parking Policy Project	250,358
Portland (City Rank #4)	Campus Institution Zoning Update	110,000
Clackamas County (County Rank #2)	Multi-use Development in Corridors	160,000
Washington County (County Rank #3)	Urban Design for North Bethany Main Street	107,253
TOTAL		\$872,611

**COMMUNITY PLANNING &
DEVELOPMENT GRANT PROJECTS
(20) RECOMMENDED FOR
FUNDING**

ATTACHMENT B (Chair Smith memo to COO)
 SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

PROJECTS OUTSIDE THE UGB

**Screening Committee Recommendations Summary – FY 2009-2010 Cycle
 Community Planning and Development Grants Program**

Applicant/Project	City of Beaverton /South Cooper Mountain Planning	Recommendation:	\$469,397
Full Fund Amount		Requested Grant	\$469,397
Applicant Match	\$769,833	Total Project Cost	\$1,239,230
Project Description	Preparation of a concept plan establishing a long-term vision for urbanizing the 2,300 acre project area, including: the 2002 Cooper Mountain UGB addition; the 2011 South Cooper Mountain UGB Addition; and the balance of urban reserve 6B. Title 11 compliant community plans will be prepared for the areas in the UGB to implement the vision in the near-term.		
Project Location	Generally on the southwest edge of Beaverton, north of SW Scholls Ferry Road, south of SW Gassner Road, east of SW Tile Flat Road, west of 175 th Avenue.		
Scale of project location	2,300 acres		
2040 Design Type/Land use of project location	Urban reserve		
Proposed project timeline	1 year, 5 months		

Recommendation Summary

- This application has a lot to do with water delivery and an annexation to Beaverton.
- Staff explained a lot of infrastructure planning is involved in the application and the area involves land already added to the UGB as well as land in the urban reserve.
- Infrastructure planning underway.
- Staff explained that the grant application included and covered an existing IGA for the area.
- If Beaverton does the work laid out in the application, will the area get into the UGB?
- The work Beaverton has done and the work they plan to do by the time stated will culminate will likely be considered by the Metro Council for addition to the UGB.
- This area should be considered in light of the problems with Damascus, etc.
- The Homebuilders consider this area viable for development.
- The area encompasses 2,300 acres and could become a really significant urban development.
- Significant involvement of property owners, business owners, agencies and affected jurisdictions to date
- South Cooper Mountain (SCM) Annexation complete.
- Storm water management best practices included.
- Multi-modal transit models will be applied.
- Significant financial and in kind funding matches secured.
- Significant involvement of property owners, business owners, agencies and affected jurisdictions to date.
- This grant application is mostly about infrastructure.

ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

Concerns

None

Conditions for Funding

- Develop the deliverables that payments to the city are linked too.
- Metro staff should serve on the city's technical committee/s overseeing the planning work.
- They should make sure to address financing and governance commitment.
- Offer transportation choices.

ATTACHMENT B (Chair Smith memo to COO)
 SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

**Screening Committee Recommendations Summary – FY 2009-2010 Cycle
 Community Planning and Development Grants Program**

Applicant/Project	City of Cornelius/Urban Reserves Concept Plan	Recommendation: Increased Funding - \$125,000	
Full Fund Amount		Requested Grant	\$73,000
Applicant Match	\$7,000	Total Project Cost	\$80,000
Project Description	The purpose of this project is to prepare and position the Cornelius Urban Reserves for UGB expansion, urbanization and annexation into the City. The project proposes to inventory conditions, estimate build-out, analyze transportation and utility services for development of a Concept Plan.		
Project Location	East and southeast of the abutting City of Cornelius boundary with 62 acres north of TV Highway and 210 acres south of TV Highway.		
Scale of project location	272 acres		
2040 Design Type/Land use of project location	Urban Reserve		
Proposed project timeline	No timeline provided		

Recommendation Summary

- The city wanted to move forward but did not see how they could do it with their budget restraints.
- They will never be up to the task if they don't get enough money for consultant work.
- The amount requested is too low for what they need to do.
- The equity criteria should be considered: Needs are actually part of the criteria.
- Perhaps equity should be clarified for the future since two kinds of equity are referred to throughout this process and can be confusing.
- Specific local needs identified (high school, parks).
- IGA's in place with Washington County, Clean Water Services.
- Leveraging critical partnerships with other jurisdictions – Washington County, Hillsboro School District
- Citizen Involvement Committee

Concerns

- They did not fully address Title 11 and equity requirements.
- They have \$65,000 in consultant proposals but don't have a Scope of Work (the problem with this is that we are now in the second round of evaluation of their proposal; this concern should have been addressed already between the Letter of Intent and full application period).
- Metro's concept planning requirements are more stringent than they used to be, and the City should be ready to address all the requirements if funded.
- Applicant is providing in-kind matching funds, although small percentage of total grant request. No financial match provided.

ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

Conditions for Funding

- Metro should explore encouraging the county to provide matching funds.
- They should make sure to address financing and governance commitment.
- Addressed sustainability, including stormwater/low impact development
- Offer transportation choices.

ATTACHMENT B (Chair Smith memo to COO)
 SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

**Screening Committee Recommendations Summary – FY 2009-2010 Cycle
 Community Planning and Development Grants Program**

Applicant/Project	City of Forest Grove/Westside Planning Program	Recommendation:	\$123,000
Full Fund Amount		Requested Grant	\$123,000
Applicant Match	\$49,000	Total Project Cost	\$172,000
Project Description	Adoption of land use plan, sustainability framework, geo-technical analysis, conceptual traffic network to streamline development review process and issuance of building permits in the developing western portion of city. This project includes completion of a UGMFP Title 11 concept plan for Urban Reserve 7B to support large lot industrial needs.		
Project Location	Western portion of the Forest Grove area bounded by Gales Creek Road, UGB, Purdin Road, and Thatcher Road		
Scale of project location	1,140 acres		
2040 Design Type/Land use of project location	Urban Reserve		
Proposed project timeline	1 year, 5 months		

Recommendation Summary

“Forest Grove Westside Planning Program” ranked No. 3

- The application is relatively thin but they are starting at the very beginning of the process. They need the money to get going so should not be penalized for lack of detail in the application.
- Forest Grove has very limited resources but have provided CET funding.
- Starting from scratch. Get ahead of the “development pressure.” Clean slate opportunity to plan sustainably.

Concerns

- If the city is not addressing basic threshold issues like stormwater by now, that’s pretty bad.
- It’s not clear how Council Creek Regional Trail will be addressed in this project.
- Leverage existing transportation system.
- Matching funds are about 40% of grant requests, although the matches are in-kind. No financial matches.
- Communicated intent but minimal specifics.

Conditions for Funding

- It would be good for Forest Grove to talk to Gresham about their eco-industrial site project.
- They should get and use the eco-industrial brochures so they would be aware of those kinds of projects.
- Addressed sustainability, including stormwater/low impact development.
- They should make sure to address financing and governance commitment.
- Offer transportation choices.

**ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD**

**Screening Committee Recommendations Summary – FY 2009-2010 Cycle
Community Planning and Development Grants Program**

Applicant/Project	City of Sherwood /West Concept Plan	Recommendation:	\$221,139
Full Fund Amount		Requested Grant	\$221,139
Applicant Match	\$24,570	Total Project Cost	\$245,709
Project Description	This project identifies the location and type of housing that will best meet the community needs and support multi-modal access and well-connected transportation systems consistent with Title 11. This project will assess barriers and identify the infrastructure investments necessary to support the full build out of the area. Finally, this project will develop a phasing plan for incremental development or inclusion in the UGB while laying the foundation for full build out and provide coordination with Washington County.		
Project Location	Urban Reserve 5B is comprised of 1,291 acres west of Sherwood. The description of the area in the Urban Reserve designation indicates: The area is bounded by Chapman Road to the south, Lebeau Road to the north, and generally extends approximately ¾ miles west of Sherwood. The area consists of parcels that are in residential or agricultural use, including small woodlots and orchards.		
Scale of project location	1,239 acre		
2040 Design Type/Land use of project location	Urban Reserve		
Proposed project timeline	No timeline provided		

Recommendation Summary

- It is a really big area so does provide an opportunity.
- Could do something similar to Cornelius; want to make sure those issues are addressed.
- It seems they might be trying to maintain flexibility to react to different contingencies. The region might not need the whole 1,140 acres right away.
- They recognize market flexibility and reality.
- Phase able planning approach to match demand.
- Intent to collaborate; demonstrated history by applicant.
- Suggested model for a staged inclusion into the UGB.
- Applicant has no resources other than this grant to fund this effort.
- They have the Westside Bypass area also.

Concerns

- The city could have been more creative.
- The application was not very innovative.
- 10% funding match (of total cost). In-kind match only, no financial match.

ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

Conditions for Funding

- They should be open to best practices and innovation.
- Address sustainability, including stormwater/low impact development.
- They should make sure to address financing and governance commitment.
- Offer transportation choices.

**ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD**

**Screening Committee Recommendations Summary – FY 2009-2010 Cycle
Community Planning and Development Grants Program**

Applicant/Project	City of Wilsonville/Frog Pond/Advance Road Planning	Recommendation:	\$341,000
Full Fund Amount		Requested Grant	\$341,000
Applicant Match	\$117,500	Total Project Cost	\$458,500
Project Description	The project will create one Concept Plan for the Frog Pond and Advance Road areas, and a more detailed Master Plan for the Frog Pond area. The outcome will be Title 11-compliant plans that resolve land use and infrastructure issues and position each area for the next step in urbanization. The Master Plan would detail the land use policies to be applied upon annexation of the property into the city, and include a financing plan for providing needed sewer infrastructure.		
Project Location	The project will develop a Concept Plan for two adjacent areas of land, Frog Pond and Advance Road, and a Master Plan for Frog Pond. Frog Pond area was added to the UGB in 2002 but is unplanned; Advance Road is an adjacent Urban Reserve. Both areas are located in Clackamas County, immediately east of Wilsonville.		
Scale of project location	497 acres		
2040 Design Type/Land use of project location	Urban Reserve		
Proposed project timeline	2 years, 6 months		

Recommendation Summary

- They are considering the right mix of uses and want to make sure they are considering all the uses that make a complete community.
- Wilsonville has demonstrated ability to build a community with Villebois, a master-planned community.
- The area is close to other commercial areas.
- Making this area a walkable neighborhood community is important, but not something as big as a town center.
- This application also covers an area already inside the UGB and outside the UGB.
- Applicant is contributing funding matches of slightly over 40% of Grant Request, including financial match, in-kind match and consultant time match.
- Applicant has contributed significant revenue (CET taxes) and received no grants to date.
- What is important to the region is how does an area contribute to or create a community and what the Metro Council will consider when bringing areas into the UGB.

Concerns

- Wilsonville is not asking for a lot of money but there is not a lot of match either. The matching funds are not as good but a lot of the applications do not have any matching funds and this one has \$80,000 secured in matching funds.
- Can the project be tied to transportation choices more because it is a relatively compact area.
- It is hard to justify spending tax money on an area that won't come in for 40 years.

ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

Conditions for Funding

- Addressed sustainability, including stormwater/low impact development.
- They should make sure to address financing and governance commitment.
- Offer transportation choices.

ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

Screening Committee Recommendations Summary – FY 2009-2010 Cycle
Community Planning and Development Grants Program

Applicant/Project	Washington County /Concept Planning of Area 93	Recommendation:	\$122,605
Full Fund Amount		Requested Grant	\$122,605
Applicant Match	\$97,000	Total Project Cost	\$219,605
Project Description	Once the area is legislatively redistricted, Washington County proposes to complete the concept plan initiated by Multnomah County in 2009. The revised plan will meet county standards, continue public engagement, include existing conditions and transportation framework analysis, and re-initiate partnership support with service providers.		
Project Location	Bonny Slope West is in northwest Multnomah County, abutted by Washington County on the east and south. NW Thompson Road runs along the southern edge.		
Scale of project location	160 acres		
2040 Design Type/Land use of project location	Urban Reserve		
Proposed project timeline	1 year, 8 months		

Recommendation Summary

- Previous planning in this area was confronted with services couldn't be routed through Forest Park.
- The area is a rural reserve which is very hard to get services through also.
- This application has a lot of support letters and \$85,000 left over from grant to Multnomah County.
- This area will be transferred from Multnomah County to Washington County so that Washington County can receive the funds to complete their planning work and the planning work done by Multnomah County for this area.
- Prospective funding of CET revenue through development.

Concerns

- Recreational opportunities with Ward Creek were not addressed.
- Housing affordability opportunities should have been addressed.

Conditions for Funding

- Addressed sustainability, including stormwater/low impact development.
- They should make sure to address financing and governance commitment.
- Offer transportation choices.

ATTACHMENT B (Chair Smith memo to COO)
 SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

PROJECTS INSIDE THE UGB

**Screening Committee Recommendations Summary – FY 2012 – 2013 Cycle
 Community Planning and Development Grants Program**

Applicant/Project	City of Gresham(Ranked #1)/Gresham Vista Business Park Eco-Industrial Strategies	Recommendation:	\$100,000
Requested Amount	\$100,000	Amount Funded	
Applicant Match	\$415,300	Total Project Cost	\$515,300
Project Description	The Gresham Vista Business Grant Park grant request – a partnership between the City of Gresham and Port of Portland – will implement four strategies identified in the Gresham Vista Eco-Efficient Implementation Action Plan, provide a framework for eco-industrial development at the site, and a lessons learned report to guide other industrial developments in the region.		
Project Location	221-acre industrial/mixed use site owned by the Port of Portland and located in the City of Gresham, Oregon – adjacent to the cities of Fairview, Troutdale and Wood Village.		
Scale of project location	221 acres		
2040 Design Type/Land use of project location	Corridor		
Proposed project timeline	1 year, 3 months		

Recommendation Summary

- Very important project, potentially ground-breaking project because of focus on job creation in eastern portion of region and for the innovation around sustainability and best practices.
- Good partners.
- Good financial commitments.
- Need to address non-auto-oriented access.
- Would like to see more partners devoted to waste streams, food systems, local economics; perhaps some local non-profits in these areas.
- Large 100 acre site and proximity to I-84 and I-205 as well as airport make this regionally significant.
- There is no model presently for LEED best practices. This project would potentially create a standard.
- The project leverages multiple agencies and over time, significant private investment.
- Significant matching funds, in excess of grant request. Fund match is mostly financial rather than in-kind.
- Traded sector economic development will result in higher wage jobs.
- Fairly conventional level of public process with formal presentations. Some public presentations have already been initiated.
- Staged development potential, significant employment opportunities.
- Eco/green leadership, leverages location and proximity to transportation for job growth.

ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

- One of Governor's priority industrial areas.
- Unproven, but high potential concepts. Linkage and eco-concierge may provide model for other similar initiatives.
- Builds on previous work, engages multiple public entities. Strong tie to workforce development agencies.
- High level of match from partnership with Port.
- Past grants are double CET collections. New jobs create future revenues.
- Multiple public meetings and presentations.
- Seemed like a good development site/lot of potential.
- Business park would help job/housing imbalance
- Like the emphasis on green infrastructure.

Concerns

- Concerned that some development may occur before eco-industrial plan is in place.
- Will residents mentioned be active participants in shaping the resource flows within and around the site or just be kept informed of decisions made by consultants and City?
- Clear strategy to develop industrial campus for trade sector industries. "Eco-industrial" criteria not precisely defined.

Conditions for Funding

None.

ATTACHMENT B (Chair Smith memo to COO)
 SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

**Screening Committee Recommendations Summary – FY 2009-2010 Cycle
 Community Planning and Development Grants Program**

Applicant/Project	Cities of Gresham (Ranked #2) & City of Portland (Ranked #3) /Powell-Division Transit and Development Project	Recommendation: <u>Partial Funding</u> -- \$200,000 [Recommend also giving additional \$100,000 to Gresham and Portland if fund is available]	
Combined Fund Amount		Combined Request	\$812,290
Gresham Amount		Requested Grant	\$362,290
Portland Amount		Requested Grant	\$450,000
Gresham Match	\$75,163	Total Project Cost	\$437,453
Portland Match	\$91,701	Total Project Cost	\$541,7000
Project Description	<p><u>Gresham:</u> This project, a collaborative effort of Gresham, Portland, Metro and TriMet, will engage the community to create a concept plan for the Inner Powell – Outer Division corridor that identifies a preferred transit mode and concept alignment, and potential transit station areas with the greatest development and placemaking opportunities.</p> <p><u>Portland:</u> Engage the community to create a Concept Plan for the Inner Powell –Outer Division Corridor that identifies a preferred transit mode and concept alignment, and potential transit station areas with the greatest development and place-making opportunities.</p>		
Project Location	<p><u>Gresham:</u> This project spans the city limit from west to east, and from Glisan St. southward to below Powell Blvd. It is within the UGB.</p> <p><u>Portland:</u> The project is located along the Powel Boulevard / Division Street transit corridor between the Portland Central City and the City of Gresham, Metro Council Districts: 1 and 6.</p>		
Scale of project location	13 miles		
2040 Design Type/Land use of project location	Corridor		
Proposed project timeline	3 years, 3 months		

Recommendation Summary

- This looks like a massive planning study but it can come back as a real plan.
- It has support as a needy area, but doesn't feel like the right study.
- This is the next big corridor study.
- The two cities could utilize some of the outcomes of the SW Corridors and save some money.
- Well defined corridor with nodes for development.
- Connects Portland and Gresham and supports interstitial development nodes.
- Stakeholder involvement contemplated.

ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

Concerns

- They are asking for \$812,000.
- It's not forcing implementation. It has a feel good quality but does it really go anywhere?
- If this is the next big corridor study, how will this work integrate with, or complement, that corridor work.
- The project does not rank well on implementation – i.e., development outcome.
- Concern was expressed about the size of the grant and who was doing what.
- The funding limitations for the public transit results in this project being long range in nature and not resulting in near term project development.
- No financial match, only in-kind.
- Grant request primarily funding Portland and Gresham staff.
- Low funding match (As a percentage) and no financial match secured. All matches are in-kind.

Conditions for Funding

- The Committee considered matching their in-kind amount of \$166,000 for now.
- The Committee considered whether to recommend that funding should not be used for mostly consultant and/or staff that know how to achieve the assigned objective.
- Committee considered giving them half the grant amount requested.
- Also they should leverage knowledge from other (corridor) work done.

**ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD**

**Screening Committee Recommendations Summary – FY 2009-2010 Cycle
Community Planning and Development Grants Program**

Applicant/Project	City of Happy Valley/RCEC Infrastructure Funding Plan	Recommendation:	\$53,100
Full Fund Amount		Requested Grant	\$53,100
Applicant Match	\$20,500	Total Project Cost	\$73,600
Project Description	The preliminary scope of the project is to create a RCEC Infrastructure Funding Plan as the next toward "development ready" sites in this approximately 200 buildable acre, Regionally Significant Industrial/Employment Area.		
Project Location	North of Hwy. 212, west of shared boundary between Happy Valley/Damascus, east of Rock Creek, south of unnamed tributary to Rock Creek.		
Scale of project location	200 acres		
2040 Design Type/Land use of project location	Industrial		
Proposed project timeline	1 year, 7 months		

Recommendation Summary

- The infrastructure looks older and they should ramp up sustainability measures.
- Good follow up to previous grant.
- This project needs more innovation in the provision of 21st century infrastructure. No mention of alternative transportation and sustainable energy, water and waste infrastructure.
- Needs more discussion with public about street character, green streets, bicycle access, etc.

Concerns

None.

Conditions for Funding

- Encourage city to be creative.
- Metro has a tool kit they can utilize.

ATTACHMENT B (Chair Smith memo to COO)
 SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

**Screening Committee Recommendations Summary – FY 2009-2010 Cycle
 Community Planning and Development Grants Program**

Applicant/Project	City of King City/King City Town Center Plan & Implementation Strategy	Recommendation: <u>Increased Funding</u> -- \$150,000	
Full Fund Amount		Requested Grant	\$75,000
Applicant Match	\$15,000	Total Project Cost	\$90,000
Project Description	Refine the King City Town Center/Corridor concepts developed by Metro and Tigard into a specific plan including: land use/urban design/circulation/redevelopment provisions, a detailed implementation strategy, with a focus on redevelopment, spelling out tasks to complete immediately and in the short-/long-term, the responsible parties, known and funding sources, and necessary coordination.		
Project Location	The focus of the project will be on the portion of King City within the Metro Town Center and Corridor designations in the Metro 2040 Growth Concept.		
Scale of project location	Within ½ mile		
2040 Design Type/Land use of project location	Town Center		
Proposed project timeline	1 year, 1 month		

Recommendation Summary

- This is a great project but they are not asking for enough money.
- This area needs help.
- Consider the recommendation to fund them with twice the amount requested.
- Recommend to increase the amount requested or don't fund the project at all.
- They are identifying barriers that existing residents and employers have for interacting with the town center and this application is to develop a new town center plan and implementation strategy to take what the city and Washington County did in the 20th century and move it forward.
- Moving towards an implementation plan. Intend to modify the Community development Code (CDC) in order to provide certainty to developers and private investment.
- Also incorporating the requirements of a regional transportation corridor, 99W into the effort.
- Intends to reach out to other jurisdictions that have taking strip retail and done transit-oriented redevelopment to identify Best Practice models.
- Builds upon previous work by Metro (2040 Growth Concept and SW Corridor Plan) and City of Tigard High Capacity Transit Land Use Plan.
- Metro should consider helping smaller jurisdictions with technical assistance on this type of planning.

ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

Concerns

- All of the support letters in the application are from agencies; none from the private sector.
- Seems like the vision is supposed to be a walkable town village. The project needs more walkability. However, some key questions are; where will the people be coming from? Bull Mountain? What is the redevelopment going to be? A new face on the shopping center? What's the vision? Will there be more mixed use?

ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

Conditions for Funding

- Consider doubling the amount, but with the condition that the city should come back with one to three property owners who will make best effort to develop/improve the area.
- Metro should build conditions into the IGA that the City go back to the private sector for some involvement; This provides an opportunity for a strong letter of interest from a developer who will consider implementation.
- Contacting property owners could be done as an early milestone in the IGA.
- Consider a recommendation to fund the project, but give them money in phases as they progress.
- Good idea; the IGA could be done in phases.
- Should they increase their match?
- City should provide a contract city engineer.
- City must guarantee the match.
- They should come back with a real budget. They don't know what a transportation consultant would really cost. They have \$10,000 budgeted for a transportation consultant, that's not enough.
- They should come back with some real estimates and some real numbers – a more realistic budget.
- They should consider and address how this project would leverage the work done in the Southwest Corridor Plan.

**ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD**

**Screening Committee Recommendations Summary – FY 2009-2010 Cycle
Community Planning and Development Grants Program**

Applicant/Project	City of Lake Oswego (Ranked #2)/Lake Oswego SW Employment Area Plan	Recommendation:	\$80,000
Full Fund Amount		Requested Grant	\$80,000
Applicant Match	\$71,000	Total Project Cost	\$151,000
Project Description	The City proposes creation of a special district plan that will involve the community a redevelopment plan for an underdeveloped industrial area in southwestern Lake Oswego. The plan will address the mix of uses to be permitted, transportation and multi-modal improvements, regulatory standards, and financing strategies.		
Project Location	The project site includes Title 4 employment land in the southwestern quadrant of Lake Oswego, along and to the south of Boones Ferry Road.		
Scale of project location	150 acres		
2040 Design Type/Land use of project location	Industrial/Employment		
Proposed project timeline	1 year		

Recommendation Summary

- This area is in line with manufacturing.
- The area has access to I-5. It's not a huge area but it's a reasonable project.
- Has outside funding, not just in-kind.
- The current City Council supports it.
- That area is kind of a hodge podge.
- City is expecting more redevelopment and is trying to prepare for economic growth.
- They are trying to provide more flexibility in zoning to encourage development and consolidate lots.
- They know things are going to happen but want to make sure it happens in the most efficient way.
- They want more flexibility than what industrial zoning provides.
- Greater zoning flexibility and public amenities intended to provide developer certainty and encourage public investment.
- While primarily a local economic development strategy, the project objectives are consistent with Metro's 2040 growth concept and the site is immediately adjacent to regional transportation corridors.
- Using 3rd party experts to identify and model best practices for industrial area redevelopment and incorporation of green development practices.

Concerns

- City is providing matching funds, both financial and in-kind. Not yet secured, but carried in FY 2013-2014 budget.

Conditions for Funding

None

ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

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ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

Screening Committee Recommendations Summary – FY 2009-2010 Cycle
Community Planning and Development Grants Program

Applicant/Project	City of Oregon City/Willamette Falls Legacy Project	Recommendation: Partial Funding --	\$300,000
Full Fund Amount		Requested Grant	\$400,000
Applicant Match	\$281,641	Total Project Cost	\$681,641
Project Description	The purpose of this grant is to select a Consulting Team to assist the City of Oregon City, in cooperation with the bankruptcy trustee, in completing a Master Plan and Rezoning of the former Blue Heron Paper Mill Site. This planning project will create a vision for the site through a robust public process that respects the history and nature of the land and provides needed certainty to the development community by removing or reducing barriers to site redevelopment.		
Project Location	22 acres of the former Blue Heron Paper Mill 419 Main Street, Oregon City, 97045		
Scale of project location	23 acres		
2040 Design Type/Land use of project location	Industrial to Mixed Use		
Proposed project timeline	1 year, 7 months		

Recommendation Summary

- There have been two offers to purchase this property so the application reflected a Scope of Work that was underway.
- Oregon City is doing a great job now with its downtown and the proposed project will suck attention away from that.
- The site does have potential buyers.
- It seems the City's idea was that the buyer(s) would want the best project possible and cooperate with it. An investor would need a master plan before the zoning could change anyway or before they invested money.
- The site is stuck at this time and needs public support. This is an interesting project because they are trying to get everyone to agree on a vision that will be converted into entitlements that will make it attractive to a buyer.
- Metro bond was a funding source for acquiring part of the property. That would be an asset for Metro. The other sources include \$5 million from the state legislature after the master plan and the work the trustee is supposed to do.
- Can the open space and park be used to catalyze other activity as well?
- It is Metro's understanding that there is no environmental problem with the soil, however there are things that need to be taken into consideration like the structures, some of which are being dismantled.
- This would have been the perfect opportunity to go the national parks service and pick up both sides of the river and the falls and get a true funding source. (The other side of the river is already sold)
- Having a master plan will send a positive signal to potential purchasers.
- From a city point of view, it makes more sense to have a plan in place.
- It is important to get the parties to agree to give more confidence that if the plan goes through it will lead somewhere.
- The trustee should make a good faith effort to find the best buyer for the property to implement the

ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

project principles.

SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

Concerns

- Is the request really for the master plan, or for developing future vision? So, nothing will happen on this property without this work being done?
- The questions to ask include: 1) Is this a good project to fund; and 2) Does the requested amount change if a developer purchases the property?
- This is not a very good retail location and is an extremely difficult site. The site has limited access with the floodplain; buildings that can't be removed, and there is the governance issue.
- Money could be thrown at this site forever and end up with an uncooperative buyer. It's too bad because it is a beautiful site.
- It seems this amount requested is for paying for the Walker Macy project
- Should the region fund this huge amount of money at this time, whether or not Walker Macy and/or others are interested.
- This is a big request for capital.
- Does the trustee care about what happens to the site? The trustee wants to get the best price for the owner/workers. The city and the region could end up with a mediocre shopping center owner and not achieve the goals in this application
- It is unclear now what can be done on this site; it's zoned industrial
- It's also unclear if anything will happen at this site if this application is not funded
- There is no assurance that the trustee will care if the master plan is in place or not.
- All this money could be spent on a master plan and then no one might like it.

Conditions for Funding

- A primary factor for the Screening Committee comments and recommendations was the mandate to focus on applications that produce short-term investment and implementation. In that spirit, there was a consensus that this is an important project and recommends a potential grant of \$300,000, which is however, conditioned on the applicant submitting a revised proposal that addresses the committee's concern that the goals of the owners as represented by the trustee, City of Oregon City, Metro, and the wishes and ideas resulting from public involvement in the design consultant team process, will align with the capabilities and willingness of the purchaser. The concern is, can the process effectively lead to implementation. The overriding basis for recommending funding is the assurance that implementation and the methods for accomplishing such are the immediate focus, and it is in that spirit that the Committee provides this important upfront communication about capacity to implement.
- Metro could fund an initial start-up cost to see if the trustee will work with the city and/or to develop an agreement between the two. It is pointless to fund a property for someone else to develop without them being involved. The potential owner needs to get involved somehow.
- Consider an allocation of \$50,000 for a pilot project to convince Metro that this project is viable. The conviction could be in the form of the list issues and tasks on getting agreement between the parties, and assurance that remaining \$350,000 will go somewhere and not be wasted.
- What complicates this application is that now there are new circumstances due to a possible buyer and the committee wants to make sure that the conditions reflect the current development.

**ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD**

**Screening Committee Recommendations Summary – FY 2009-2010 Cycle
Community Planning and Development Grants Program**

Applicant/Project	City of Portland (Ranked #1) Mixed-Use Zoning Project	Recommendation: Partial Funding --	\$250,000
Full Fund Amount		Requested Grant	\$425,000
Applicant Match	\$207,900	Total Project Cost	\$633,400
Project Description	Revise Portland’s mixed use zoning regulations to better implement new Comprehensive Plan policies that focus growth and development in mixed-use centers, corridors, and station areas across the city, providing local services, additional housing, and employment opportunities. Engage neighborhoods and the development community to ensure that both perspectives are represented in solutions.		
Project Location	New mixed-used regulations will be applied to Portland centers, corridors, transit station areas, and neighborhood business districts outside of the Central City, Metro Council Districts 1, 5 and 6.		
Scale of project location	12,300 tax lots in Mixed Use commercial zones		
2040 Design Type/Land use of project location	Mixed Use		
Proposed project timeline	1 year, 6 months		

Recommendation Summary

- This project is consistent with Metro’s goals for the region for mixed use, but Portland should figure out how to simplify mixed use codes for corridors and centers, and the grant funding will be contingent on the revised proposal they come back with.
- The whole code should be simplified anyway, not just for commercial but also for housing.
- Portland should simply simplify its code and make it easier for developers to navigate; the City should go through and use the simplified communities’ process with the Urban Land Institute.
- This project should be viewed also with the equity criteria lens.
- Neighborhood associations already engaged and supportive of effort.

Concerns

- The proposed cost is very expensive.
- This is normal housekeeping and maintaining of the comprehensive plan.
- It is unclear how Portland simplifying their code would lead to greater economic development. They already have staff to help with the design process. Would changing zoning lead to that much improvement?
- Is the timing right? Should it be done now?
- Although it may be a critical work to do but way over priced; City should consider paying for the project.
- Geographically broad in scope, resulting in regional significance; risk to effort being too broad in scope?
- Communication of intent to use best practices, but not much specifics.
- New zoning should provide better certainty to allow for private investment to flourish.
- Significant in-kind match, but No financial funding match.
-

ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

Conditions for Funding

- The Committee had consensus to recommend that Metro ask the City of Portland to revise the proposal based on the concerns and recommendations listed above and keeping \$250,000 as a placeholder for the City of Portland Mixed-use Zoning Project. If Portland did not feel they could come back to Metro with a revised proposal, the \$250,000 could be allocated elsewhere. The new proposal needs to be less internally focused. The Committee wants to see a lighter and easier code to navigate, however, the Committee is disturbed by a request that seems to be asking for CET dollars to fund internal operations the City should be paying for anyway.
- If the City had consultants to help it with a more tightly defined goal, the proposal would be more acceptable.

**ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD**

**Screening Committee Recommendations Summary – FY 2009-2010 Cycle
Community Planning and Development Grants Program**

Applicant/Project	City of Tigard (Ranked #1) River Terrace Community Plan Implementation	Recommendation:	\$245,000
Full Fund Amount		Requested Grant	\$245,000
Applicant Match	\$432,473	Total Project Cost	\$677,473
Project Description	A concept plan has been prepared for the area and adopted by the City. This grant application will fund two critical elements of the River Terrace Community Plan: a Public Facility Plan Update; and an infrastructure Financing Strategy. All other aspects of the Community Plan will be funded by the City with existing resources.		
Project Location	River Terrace is a 550 acre area located south of Scholls Ferry Road, and generally west of Roy Rogers Road, within the City of Tigard. The area is within the UGB and has been annexed by the City.		
Scale of project location	500 acres		
2040 Design Type/Land use of project location	Mixed use neighborhood community center		
Proposed project timeline	2 years, 4 months		

Recommendation Summary

- This project seems very well-positioned for success given previous work.
- “Softly” addresses the six desirable outcomes of 2040 Growth Concept Plan.
- Centers.
- Provides significant matching funds both financial and in-kind. Secured.
- Substantive public facility planning
- Emphasis on infrastructure planning and finance.

Concerns

Conditions for Funding

**ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD**

**Screening Committee Recommendations Summary – FY 2009-2010 Cycle
Community Planning and Development Grants Program**

Applicant/Project	City of Tigard (Ranked #2)/Downtown Tigard Mixed-Use Development Projects	Recommendation:	\$100,000
Full Fund Amount		Requested Grant	\$100,000
Applicant Match	\$130,340	Total Project Cost	\$230,340
Project Description	The Tigard Mixed-Use Development Project will focus on two significant catalytic redevelopment opportunities that require pre-development analysis and strategy in order to be successful. George Diamond Properties and the City's urban renewal agency will partner on: a site owned by the City of approximately 3.26 acres; and a separate 3 acre site to be acquired by the developer.		
Project Location	The Downtown Tigard Mixed-Use Development Projects are two sites located in the Tigard Town Center Area. Both sites are also within the Tigard Urban Renewal District.		
Scale of project location	3.26 acres		
2040 Design Type/Land use of project location	Town Center		
Proposed project timeline	No timeline provided		

Recommendation Summary

- The project is an interesting opportunity for a main street.
- There is another Metro grant for green streets that could benefit this project.
- There's a commitment from private investment to invest as well as in-kind from the applicant.
- The site is a key piece of real estate owned by the city that's environmentally challenged and needs to be cleaned up, and will interfere with green streets if not addressed.
- This is a classic case of private/public partnership.
- The environmental clean-up is very important.
- The project tasks included: 1) Environmental investigations; 2) Property options/acquisitions; 3) Appraisals and land surveys, etc.
- There are two different sites which need different things; do not confuse the two.
- Are both sites getting the same treatment?
- City's match is a pretty good contribution in money and staff time
- The opportunity for leverage is immense.
- The grant should support cities trying to do things in urban renewal districts
- The environmental part should be cleaned up; it is a great site.
- It seems like this project has had a lot of work done on it and needs a push.
- These sites are important to the main street
- It should be funded, at least partially
- Exiting private investment commitment, catalytic project.
- Station Development typology of Town Center/main street specialty retail. Office, dining and medium to high density residential.
- Station Center
- Public /private model, goal to spur further development, TOD model

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- Significant resources greater than the grant request are committed by applicant
- Matching funds provided of both financial and in-kind sources, and the 3rd party (GDP) funding is secured with a commitment letter.
- Tigard has contributed more CET revenue than is being requested
- Regarding property acquisition, the city is buying the first one, and the second is being bought by multiple buyers.

Concerns

- Should this grant be supporting a private developer?
- The project needs a little more clarity; applicant down played the environmental concern
- Cleaning up site is very different from preparing it for development.
- Project seems very narrowly focused.
- Is the buyer going to be the developer?
- One concern is that subsidizing one urban renewal project may result to subsidizing another and keep on getting incrementalized.
- Should this grant be funding the project, if they are going to sell them anyway?

Conditions for Funding

- The project could be conditioned based on the environmental clean-up.
- Sounds like a catalytic project but it sounds like there are questions about the private partner. Can the Committee put some kind of condition on this?

ATTACHMENT B (Chair Smith memo to COO)
 SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

**Screening Committee Recommendations Summary – FY 2009-2010 Cycle
 Community Planning and Development Grants Program**

Applicant/Project	1) City of Sherwood/Tonquin Employment Area Implementation Plan 2) Washington County/Industrial Lands Analysis	Recommendation: Combined Partial Funding for City of Sherwood and Washington County: \$255,000	
Sherwood: Full Fund Amount		Sherwood: Requested Grant	\$143,955
Sherwood: Match	\$15,951	Sherwood: Total Project Cost	\$159,906
Washington Co: Full Fund Amount		Washington Co:	\$227,500
Washington Co: Match	\$100,427	Washington Co:	\$377,927
Project Description	<p><u>Sherwood project:</u> The City proposes to conduct implementation planning efforts for the Tonquin Employment Area, brought into the UGB in 2009 as a future employment area, and initially concept planned in 2010 and part of the 2012 Regional Industrial Site Readiness project. This project will refine the infrastructure needs for development with potential phases for annexation, re-examine the market conditions to determine highest and best use, identify barriers to those sectors, and develop a marketing strategy with SW Tualatin Concept Plan.</p> <p><u>Washington County project:</u> A partnership with Washington County and the cities of Hillsboro, Forest Grove, Sherwood, Tualatin and Wilsonville, with assistance from the Port of Portland. This project utilizes the framework of the 2012 Regional Industrial Site Readiness Project to complete detailed site assessments for 15 large lot industrial sites within Washington County.</p>		
Project Location	<p><u>Sherwood project:</u> The 360 acre project area is located within the urban growth boundary west of Sherwood, south of SW Tualatin-Sherwood Road, east of SW Oregon St., west of the future 124th St. extension, and north of SW Tonquin Road. The site area is located adjacent to the SW Tualatin Concept planning area.</p> <p><u>Washington County project:</u> 15 Large Lot Industrial sites located in and around the cities of Hillsboro, Forest Grove, Sherwood, Tualatin and Wilsonville.</p>		
Scale of project location	Sherwood – 360 acres; Washington County – 15 sites (from 25 to 225 acres)		
2040 Design Type/Land use of project location	Industrial/Employment		
Proposed project timeline	Sherwood – none given; Washington County – 11 months		

ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

Recommendation Summary

- The Committee suggested the applications in tandem because they both address industrial lands.
- 15 sites are within Metro Title 4 areas.
- Really a local project but focus on traded sector jobs has regional significance. It is identified as an Industrial and Employment Area on the 2040 map.
- Annexation needs to be completed.
- Minimal matching funds as a % of grant request.
- All sites being evaluated for trade sector industrial job growth to move the sites toward development ready.
- Regionally comprehensive in scope, multi-jurisdictional involvement.
- Utilizing an established best practice site assessment framework.

Concerns

- Many public process steps required before the City can actually execute a development plan.
- All financial funds are in-kind. No financial matching.

Conditions for Funding

- Funding conditions considered for these two projects in the same County with similar work scope:
 - Gave Sherwood \$75,000 and Washington County \$191,005 and they would get about half of what they asked for.
 - Bring Washington County and Sherwood together to share projects/information.
 - Combine the two projects and state that Sherwood has to be studied for sure, as long as the direction to the jurisdictions is clear.
 - \$191,005 could replace the combined \$370,000 asked for.

**ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD**

**Screening Committee Recommendations Summary – FY 2009-2010 Cycle
Community Planning and Development Grants Program**

Applicant/Project	City of West Linn/Arch Bridge/Bolton Center	Recommendation:	\$220,000
Full Fund Amount		Requested Grant	\$220,000
Applicant Match	\$80,000	Total Project Cost	\$300,000
Project Description	The City requests funding for a master plan and financing strategy for the Arch Bridge/Bolton area, identified as a town center in the Metro 2040 Growth Concept, to guide redevelopment in the area, to maximize the potential of the area, complement plans for the redevelopment of the former Blue Heron mill across the river, and avoid independent actions that may foreclose preferred redevelopment options for the area.		
Project Location	The Arch Bridge/Bolton Center is located at the intersection of Highway 43 and Willamette Falls Drive in West Linn.		
Scale of project location	188 acres		
2040 Design Type/Land use of project location	Town Center		
Proposed project timeline	1 year, 6 months		

Recommendation Summary

- The area provides the bulk of West Linn's industrial foot print.
- The area does not include the West Linn paper facility itself.
- Contributes to regional economic development.
- Two Metro 2040 designated Town Centers: Bolton and Willamette.
- Not many best practices available for this type of project.
- Multiple jurisdictions and agencies supporting this project, including Blue Heron across the river.

Concerns

- Highway 43 Improvements.
- Development around regional "treasures" Willamette Falls.
- In kind funding secured by City of West Linn. No financial match.

Conditions for Funding

None

**ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD**

**Screening Committee Recommendations Summary – FY 2009-2010 Cycle
Community Planning and Development Grants Program**

Applicant/Project	Clackamas County (Ranked #1)/Clackamas County Strategically Significant Employment Lands	Recommendation:	\$221,000
Full Fund Amount		Requested Grant	\$221,000
Applicant Match	\$273,110	Total Project Cost	\$494,110
Project Description	Clackamas County has created an inventory of employment lands that has varying states of readiness. This Project will provide a better understanding of the investment required to make significant sites “development ready” as well as associated economic return, in order to ensure the County’s competitiveness.		
Project Location	Clackamas County is conducting a county-wide strategically significant employment lands analysis. The grant request is for the portion of work conducted within the Metro UGB.		
Scale of project location	1,219 acres (149 parcels)		
2040 Design Type/Land use of project location	Industrial/Employment		
Proposed project timeline	1 year		

Recommendation Summary

- Appreciate the scattered sites approach.
- This project would benefit from some collaboration with the Gresham eco-industrial park project.
- Only four of the eight cities appear to support project. What about the other four?
- Not likely to result in immediate development, but likely to result in more successful development.
- Regional economic development strategy.
- Builds on significant work and research already completed. (Phase 1 Clackamas County Significant Employment Lands Project) Applicant funds match exceeds grant request. Includes both financial and in-kind matches and all are secured.
- Project very thorough in terms of considering development costs and potential return on investment.

Concerns

- Not likely to result in immediate development, but likely to result in more successful development.

Conditions for Funding

None

**ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD**

**Screening Committee Recommendations Summary – FY 2009-2010 Cycle
Community Planning and Development Grants Program**

Applicant/Project	Clackamas County (Ranked #3)/Clackamas Regional Center Area Performance Measures and Multi Modal Area Project	Recommendation:	(\$120,890) \$160,000
Full Fund Amount		Requested Grant	\$160,000
Applicant Match	\$20,000	Total Project Cost	\$180,000
Project Description	The Project will recommend alternative transportation system performance measures and the designation of a Multi-modal Mixed-use Area (MMA) for the Clackamas Regional Center Area as allowed by the Transportation Planning Rule. The Project may also recommend an alternate approach to transportation infrastructure funding within the MMA.		
Project Location	The Project is located within the Clackamas Regional Center Design Area which contains the 2040 regional center designation.		
Scale of project location	Within Clackamas Regional Center		
2040 Design Type/Land use of project location	Regional Town Center		
Proposed project timeline	1 year		

Recommendation Summary

- This MMA project could be a pilot project for other jurisdictions.
- Seems like Metro should fund it for best practices purposes.
- Currently development cannot happen without changing standards and saying some congestion is acceptable.
- Inclined to fund it but would like to see them come back with ODOT and others as a partner.
- If it is successful, it could be applied throughout the region.
- Study area includes regional center, LRT station area, and two corridors.
- Breaking new ground here with creating alternate performance standards?
- There is one small MMA project underway in Lake Oswego right now

Concerns

- What is the problem this project is trying to resolve? (In mixed multi-modal areas, the Transportation Planning Rule says if you make zoning changes you can't make transportation worse, so the state developed MMA for certain areas, like town centers. The MMA allows jurisdictions to throw out some standards but you still have to have these other factors).
- The application does not mention ODOT.
- Minimal match funds from applicant and only in-kind match.

Conditions for Funding

- If this is the first MMA project, we should condition it so that the region learns from it also.
- The jurisdiction should identify upfront what best practices information they get and commit to sharing

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SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

with others what they have learned.

**COMMUNITY PLANNING &
DEVELOPMENT GRANT PROJECTS
(6) RECOMMENDED FOR
NO FUNDING**

**ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD**

**Screening Committee Recommendations Summary – FY 2009-2010 Cycle
Community Planning and Development Grants Program**

Applicant/Project	City of Hillsboro/Downtown 10 th Avenue Reinvestment Study	Recommendation:	\$0
Full Fund Amount		Requested Grant	\$185,000
Applicant Match	\$172,200	Total Project Cost	\$357,200
Project Description	The City of Hillsboro will initiate a redevelopment planning project in the residential-commercial neighborhood located east of the Hillsboro Downtown/Regional Center. The project will focus on multi-modal and urban design solutions for the 2040 designated 10 th Avenue Corridor, a one-half mile stretch of State Highway 8 that bisects the city's close-in Southeast neighborhood.		
Project Location	The project areas will encompass the 10 th Avenue Corridor and surrounding /neighborhood from Shute Park on the south to Lincoln Street on the north in Hillsboro/		
Scale of project location	Unknown		
2040 Design Type/Land use of project location	Adjacent to Regional Center		
Proposed project timeline	No timeline provided		

Recommendation Summary

- This could be a good project but many of the evaluation criteria were not addressed: Public involvement? Equity? Best practices?
- Unclear planning process
- Unclear as to timing of project.
- Little mention of sustainability.
- Project would benefit from more partnerships with the neighborhoods adjacent.
- Like the mention of the informal economy study. Suggest this as a core endeavor of the project if submitted for a future CPDG cycle grant.
- While project has regional significance, it will also result in redevelopment that will support local residents, grow local businesses and also support social enterprise.

Concerns

- Minimal reference to best practices in proposal.
- In-kind matching funds, including funds from non-profits. But no financial commitments. TriMet and Washington County in-kind funding are not secured.
- No permits expected within 2 years and only 1 redevelopment of an "underused" retail commercial site over 2 – 5 years.
- Appears to be limited without a clear or expansive vision or plan.
- Best practices not addressed.
- TriMet and Habitat are listed as collaborators. Both already have strong presence in the area, it is not clear how this project leverages those relationships.
- No specific discussion of public involvement.

ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

Conditions for Funding

**ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD**

**Screening Committee Recommendations Summary – FY 2009-2010 Cycle
Community Planning and Development Grants Program**

Applicant/Project	City of Lake Oswego/Lake Grove Village Center – Parking Plan	Recommendation:	\$0
Full Fund Amount		Requested Grant	\$60,000
Applicant Match	\$71,000	Total Project Cost	\$131,000
Project Description	Develop a Lake Grove Village Center Parking Plan to 1) identify strategies for efficient use of parking; 2) develop locations and financing strategies for public parking, and 3) work with property owners to replace parking that will be lost due to widening of Boones Ferry Road for bike lanes and sidewalks.		
Project Location	The project site is the Lake Grove Village Center, a Metro designated 2040 Town Center on the west side of Lake Oswego.		
Scale of project location	123 acres		
2040 Design Type/Land use of project location	Town Center		
Proposed project timeline	1 year		

Recommendation Summary

- The parking plan is supposed to resolve parking problems and encourage redevelopment in the Lake Grove Village Center.
- The city is not going to solve all of its problems with this approach.
- But their problem is the right-of-way and will not solve their problems.
- It is doubtful that their proposed approach will lead to development in a few years.
- No, it is a street program that is driving a whole bunch of other decisions. It is not a true center; it's a corridor.

Concerns

- A very narrow, targeted, action-oriented planning effort to address and immediate need: Lack of available parking.
- Applicant is providing BOTH in-kind and financial matching funds, although both are pending and not secured.

Conditions for Funding

ATTACHMENT B (Chair Smith memo to COO)
 SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

**Screening Committee Recommendations Summary – FY 2009-2010 Cycle
 Community Planning and Development Grants Program**

Applicant/Project	Central City Parking Policy Project/City of Portland	Recommendation:	\$0
Full Fund Amount		Requested Grant	\$250,000
Applicant Match	\$125,000	Total Project Cost	\$375,000
Project Description	The project will update the Central City Transportation Management Plan, which includes policy and zoning language regulating parking in the Central City Plan District. It will simplify policies and regulations for different types of new development and revisit policies related to management of Smart Park garages and on-street parking.		
Project Location	The project encompasses Portland's Central City; Downtown, River District, Goose Hollow, University District, South Waterfront, Lloyd District, Central Eastside, Lower Albina, Metro Council Districts 5 and 6.		
Scale of project location	Within Central City Plan District		
2040 Design Type/Land use of project location	Central City		
Proposed project timeline	2 years		

Recommendation Summary

- Not convinced that this is an appropriate project for Metro CPDG grant funding.

Concerns

- Limited use of outside resources, so concerns about access to best practices done elsewhere, inward thinking.
- Providing more consistency and certainty across properties in Central City should encourage private investment.
- Understand and support updating the CCTMP, however it is difficult understanding the link between increased flexibility and development. How does an improved parking policy lead to economic development?

Conditions for Funding

ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

Screening Committee Recommendations Summary – FY 2009-2010 Cycle
Community Planning and Development Grants Program

Applicant/Project	Campus Institution Zoning Update/City of Portland	Recommendation:	\$0
Full Fund Amount	\$0	Requested Grant	\$110,000
Applicant Match	\$105,000	Total Project Cost	\$215,000
Project Description	Hospitals and colleges are major employment centers providing essential regional services and amenities to surrounding neighborhoods. Development capacity on institutional campuses under current zoning entitlements is insufficient to meet projected growth. This project will update city zoning for campus institutions to accommodate projected growth, mitigate impacts and enhance neighborhood compatibility.		
Project Location	15 college and hospital campuses distributed across the City of Portland, Metro Districts 1, 2, 5 and 6		
Scale of project location	15 campus institutions (education & health)		
2040 Design Type/Land use of project location	Institution		
Proposed project timeline	2 years, 2 months		

Recommendation Summary

- The proposed project does not fit in as a Construction Excise Tax project
- Seems it is just about cleaning up the city's code; no consulting help will be solicited
- Looks like subsidy for the city's general fund
- No contributions from by any of the partner institutions
- Portland should go back and ask the institutions to form a partnership the city will work with
- It seems like the institutions involved could be motivated to fund this project by themselves.
- The expiration of the institutions' land use permits should motivate the institutions to create a partnership to lead this project and work with the city.
- This is an important project but is being rejected because of the way it was proposed and should be funded differently, from other sources

Concerns

- While indirectly consistent with the 2040 Growth Concept, there is minimal direct alignment.
- Intent communicated with little specifics.

Conditions for Funding

ATTACHMENT B (Chair Smith memo to COO)
 SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

**Screening Committee Recommendations Summary – FY 2009-2010 Cycle
 Community Planning and Development Grants Program**

Applicant/Project	Multi-use Development in Corridors/Clackamas County	Recommendation:	\$0
Full Fund Amount	\$0	Requested Grant	\$120,890
Applicant Match	\$30,296	Total Project Cost	\$151,186
Project Description	Conduct economic development study to identify development barriers along the SE 82 nd Avenue Corridor. Develop strategies to overcome barriers. Employ "Envision Tomorrow" to create development types and evaluate mixed-use options for positive ROI. Amend codes to support successful development and expedite review process. Identify opportunity sites for catalyst development.		
Project Location	Clackamas Regional Center, along SE 82 nd Avenue from the county line to Causey Avenue.		
Scale of project location	1.3 miles		
2040 Design Type/Land use of project location	Corridor		
Proposed project timeline	No timeline provided		

Recommendation Summary

- No partners listed including ODOT. Shouldn't ODOT be a partner, since they are focusing on a state highway here? Though they do say they may leverage ODOT when it's done.
- Is this area really it ready for primetime?
- Although we were moving more toward corridor multi-modal development, the corridor is in reasonably good shape; not much you can do until it is more distressed or gets more use.
- It has lots of newer investment.
- Thought there was value with this moving forward with Title 6.
- The solid boundary that says station community – is that around a light rail station? That makes more sense than trying to plan for the redevelopment of 82nd only.
- Would have made more sense if TriMet had taken light rail down 82nd but they took the path of least resistance.
- This corridor has relatively more newer investments than most other corridors in the region.
- Investing grant funds now in areas that the market is not interested in now or in the near future will be waste of regional resources.
- NE Corner of Johnson Creek, near the light rail station is more ripe and makes more sense for redevelopment than 82nd.
- Does the County have the will to make it happen given the county commission composition and other factors.
- It is interesting that ODOT is not involved.
- The lack of partners is concerning.
- Someone could plan this forever and not get any change except in a couple of soft spots; the region need to focus in places where we can have a transformative effect.

Concerns

- Applicant is providing in-kind match only, no financial match and the amount is 25% of the total grant request.

ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

Conditions for Funding

ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

Screening Committee Recommendations Summary – FY 2009-2010 Cycle
Community Planning and Development Grants Program

Applicant/Project	Urban Design Plan for North Bethany Main Street/ Washington County	Recommendation:	\$0
Full Fund Amount		Requested Grant	\$107,253
Applicant Match	\$15,000	Total Project Cost	\$122,253
Project Description	Washington County proposes to complete the Urban Design Plan for North Bethany's Main Street area. The Urban Design Plan will include public engagement and partnership support with service providers, incorporate existing conditions, and provide design criteria that prioritize the Main Street area's pedestrian and bicycle environment.		
Project Location	North Bethany is in northeastern Washington County, abutted by Multnomah County on the east and north. NW Springville Road runs along the southern edge.		
Scale of project location	7.5 acres		
2040 Design Type/Land use of project location	Mixed use neighborhood community district		
Proposed project timeline	2 years		

Recommendation Summary

- Does the county really need this planning work done to stimulate development in the area.
- It is unclear who is the beneficiary of the main street.
- Match could have been better.
- Development is happening, but it seems as if the proposed planning is a way to make it look nicer.
- Is the proposed urban design plan a generic step applicable to other similar types of mixed use development processes.
- If development is happening in the surrounding area, why is there a hole in the doughnut?

Concerns

- There is a pipeline of residential development permit applications that require the creation of the urban design plan to process them in a comprehensive manner. This residential development would support the mix of uses contemplated in a Main Street corridor.
- Achieves desired outcomes for town centers, corridors.
- Metro designated corridor.
- Intention signaled but limited specifics
- Leverage the partnerships established in the previous concept planning process. Also leverage previous CET funding,
- Fund match is small % of grant request and in-kind fund match only. NO financial match.
- Significant past collaboration and future intentions.

Conditions for Funding

ATTACHMENT B (Chair Smith memo to COO)
SCREENING COMMITTEE RECOMMENDATIONS FOR CYCLE 3 GRANTS AWARD

Agenda Item No. 4.2

Resolution No. 13-4452, For the Purpose of Approving the Amended and Restated Visitor Facilities Intergovernmental Agreement.

Resolutions

Metro Council Meeting
Thursday, August 15, 2013
Metro, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING THE	)	RESOLUTION NO. 13-4452
AMENDED AND RESTATED VISITOR)	
FACILITIES INTERGOVERNMENTAL	)	Introduced by Chief Operating Officer Martha
AGREEMENT	)	Bennett in concurrence with Council
	)	President Tom Hughes

WHEREAS, Metro owns and operates the Oregon Convention Center (OCC with the expertise and oversight of the Metropolitan Exposition and Recreation Commission (MERC); and

WHEREAS, on January 31, 2001, Metro, City of Portland and Multnomah County entered into the Visitor Facilities Intergovernmental Agreement (“VF IGA”) to support regional tourism and spectator facilities, the visitor and hospitality industry and to maximize the economic development benefits associated with visitor facilities, programs and services; and

WHEREAS, the VF IGA currently facilitates the funding of visitor facilities and on-going marketing and tourism programs in the region through the collection and distribution of transient lodging tax and vehicle surcharges; and

WHEREAS, in March 2013, Metro, City and County staff began preparing a thorough set of revisions to the existing VF IGA, the general purpose of which was to reflect updated priorities and needs of the region’s visitor facilities and tourism promotion programs, including a convention center hotel; and

WHEREAS, among other things, the revisions to the VF IGA include certain provisions to accommodate revenue bond funding for a future Oregon Convention Center Hotel; and

WHEREAS, on August 7, 2013, the Metropolitan Exposition and Recreation Commission reviewed the draft 2013 Amended and Restated VF IGA, attached hereto as Exhibit A, and recommended that the Metro Council execute such agreement in a substantially similar form; now therefore

BE IT RESOLVED that the Metro Council hereby authorizes the Chief Operating Officer to execute the 2013 Amended and Restated Visitor Facilities Intergovernmental Agreement, in a form substantially similar to the one attached hereto as Exhibit A.

ADOPTED by the Metro Council this 15 day of August, 2013.

Tom Hughes, Council President

Approved as to Form:

Alison R. Kean, Metro Attorney

**VISITOR FACILITIES
INTERGOVERNMENTAL AGREEMENT**

This amended and restated intergovernmental agreement (the “Agreement” or “VFIGA”) is made among the City of Portland (the “City”), Multnomah County (the “County”) and Metro (each individually, a “Party” and collectively, the “Parties”), and shall be in effect from the latest date of signature.

RECITALS

- A. The purpose of this Agreement is to support regional visitor facilities and visitor industry development in the Portland-Multnomah County area. The Parties have entered into this Agreement and related agreements to support regional tourism and spectator facilities, the visitor and hospitality industry, and to maximize the economic development benefits associated with visitor facilities, programs and services for the Portland-Multnomah County area. The Agreement and the Visitor Facilities Trust Account (“VFTA”) provide additional support to complement programs, investments and contributions made by all Parties for the health of our community and in support of visitor development.
- B. The Parties entered into the Visitor Facilities Intergovernmental Agreement, dated January 31, 2001 (the “2001 Agreement”), to implement the understandings and agreements contained in that certain Memorandum of Understanding dated September 14, 1999. This Agreement supersedes and fully replaces the 2001 Agreement.
- C. On or about April 26, 2001, the City, County and Metro entered into the Visitor Development Fund Services Agreement (“VDFSFA”) with Visitor Development Fund, Inc., whose 15 member board includes two representatives from each of the City, County, and Metro, two members appointed by “Travel Portland” and nine members representing the hotel and car rental business sectors. The Parties intend to update and amend the VDFSFA to conform with the amendments to this Agreement.
- D. On or about May 15, 2000, the City and Metro entered into the Amended Agreement Regarding Consolidation of Regional Convention, Trade, Spectator and Performing Arts Facilities Owned and Operated by the City of Portland and Metro (commonly called the Consolidation Agreement). Metro and the City expect to amend the Consolidation Agreement to conform with the amendments to this Agreement and to update other provisions of the Consolidation Agreement as needed.
- E. The Parties have previously entered into, and may amend to conform to the Agreement, the following agreements in order to carry out the Agreement: (i) intergovernmental agreement(s) between Metro and Tri Met regarding the provision of public transit passes for OCC visitors and (ii) intergovernmental agreement(s) between the City and County regarding collection of the transient lodgings tax.
- F. ORS 190.010 authorizes the Parties to enter into intergovernmental agreements to carry out their activities and functions.

- G. 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 Portland-Multnomah County area.
- H. The Oregon Convention Center (“OCC”) is owned and operated by Metro. The Portland Center for the Performing Arts (“PCPA”) is owned by the City and operated by Metro. JELD-WEN Field (the “Stadium”) and the “Rose Quarter Facilities” are owned by the City. In addition, Metro, the City, and the County own and operate a variety of other facilities and provide a variety of programs and services that support the purposes of this Agreement.
- I. All Parties have an interest in the maintenance and improvement of these regional visitor facilities and in the development of the visitor industry in the Portland-Multnomah County area. The Parties recognize that visitor development and the 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 in this Agreement require funding. The loss of funding for any item may threaten the viability of all of the other improvements, programs and services.
- J. The County has the authority to impose and levy a surcharge rate of 2.5% on the gross amounts of value paid to or received by the owners or operators of hotels, motels, and other lodging facilities for lodging of less than one month duration from occupants to support the purposes of this Agreement (the “VFTA TLT Surcharge”).
- K. The County has the authority to impose and levy a surcharge rate of 2.5% on the motor vehicle rental fee charged by a commercial company on vehicle rentals of 30 days or less to support the purposes of this Agreement (the “VFTA VRT Surcharge”).
- L. As provided in ORS Chapter 287A.310, the County is authorized to pledge the VFTA TLT Surcharge and the VFTA VRT Surcharge for bonds and other borrowings, including the City Bonds. The County intends to expand this authority to include the OCC Hotel Project Bonds that Metro anticipates issuing to support the development of an OCC Hotel Project.
- M. The County has the authority to impose and levy a surcharge rate of 3% on the gross amounts of value paid to or received by the owners or operators of hotels, motels, and other lodging facilities for lodging of less than one month duration from occupants (the “Excise Tax Fund TLT” or “ETF TLT”) for support of specified facilities and programs including the OCC, PCPA and the Regional Arts and Cultural Council.
- N. Metro receives a portion of the Excise Tax Fund TLT for OCC operating support that is governed by a separate intergovernmental agreement between the County and Metro, entered into on April 1, 2000 (the “ETF IGA”). Under the terms of the ETF IGA, one-third of the ETF TLT allocation for OCC operating support is to be dedicated to OCC marketing efforts. Metro reaffirms its commitment to make every possible effort to

expend at least one third of the Excise Tax Fund TLT it receives from the County for OCC operating support on OCC marketing efforts.

- O. The City has the authority to impose and levy transient lodging taxes, for (i) general City purposes and (ii) the promotion of convention business and tourism, on the gross amounts of value paid to or received by the owners or operators of hotels, motels, and other lodging facilities for lodging of less than one month duration from occupants (the “City 5% TLT” and “City 1% TLT”, respectively).
- P. The City has issued City Bonds, and Metro intends to issue OCC Hotel Project Bonds, on the condition that the County imposes and maintains the VFTA TLT Surcharge and/or the VFTA VRT Surcharge for the life of the Bonds.
- Q. The County is willing to impose and maintain the tax surcharges on transient lodging and/or vehicle rentals described in Recitals J and K above as long as necessary to pay or defease the Bonds issued under this Agreement. At such time as any of these surcharges are no longer necessary to pay or defease bonds issued under this Agreement, the Board of County Commissioners, at its sole discretion, may choose to terminate or modify the surcharges.
- R. Since the 2001 Agreement was approved, the VFTA and the 2001 Agreement have successfully supported regional efforts to bring visitors and conventions to the Portland-Multnomah County region, support the operations of and improvements to regional visitor and spectator facilities including the OCC, PCPA and the Stadium, and increase visitor development and economic development opportunities in the region through both direct and indirect support for facilities, programs and services.
- S. In 2011, the City refunded the OCC Completion Bonds and the PCPA Bonds to take advantage of improved market conditions, resulting in debt service savings to the VFTA of approximately \$875,000 annually through Fiscal Year 2029-30.
- T. In addition, since the 2001 Agreement was approved, a number of changes have occurred, or are proposed to occur, to business operations and debt obligations, resulting in changes to financing opportunities and efficiencies, revised programmatic services, and modified roles and responsibilities of the Parties. These changes are reflected in the clarification and expansion of the funding priorities contained in this Agreement.
- U. The Parties share a common understanding that (i) the OCC has a fundamental competitive disadvantage due to its lack of an adjacent convention center hotel, and (ii) public investment is necessary to the development of a privately owned, financed, constructed and operated hotel adjacent to the OCC to serve national convention clients and provide a quality hotel of the type and scale, including the necessary meeting and ballroom facilities, to bring additional national convention business to the OCC.
- V. Metro intends to negotiate an OCC Hotel Project Development Agreement, including a commitment of public funds, which will result in development of a convention center hotel and improve the competitiveness of the OCC. In other related agreements, Metro will endeavor to negotiate key terms that address OCC competitiveness, such as a

minimum room block for a length of time consistent with the anticipated OCC Hotel Project Bonds, while at the same time taking into consideration the interests of and impacts on existing hotels and service providers. Metro believes that the overall hotel market will grow and strengthen due to the new and additional conventions at the OCC

- W. In addition to private funds in excess of \$115 million and the commitment of site-specific transient lodging taxes generated by the OCC Hotel Project, which is described in this Agreement, development of the OCC Hotel Project is expected to be supported by public contributions including a \$4 million grant from Metro, a \$4 million loan from the Portland Development Commission and \$10 million from State of Oregon lottery funds.
- X. To clearly indicate support for an appropriate level of public investment in a privately-owned convention center hotel, the Parties have included in this Agreement, provisions for the use of non-VFTA Site-Specific Transient Lodging Tax Revenues (“SSTLTR”) and the VFTA for bond financing of a portion of the cost of constructing such hotel. Given that negotiations on the development terms are not complete, specified actions necessary to fully implement this Agreement are provisional and tied to the outcome of the completion by Metro of an OCC Hotel Project Development Agreement.
- Y. A portion of the development of the OCC Hotel Project will be financed via revenue bonds issued by Metro (the “OCC Hotel Project Bonds”), and Metro is willing to provide a limited financial pledge of support for the OCC Hotel Project Bonds on the condition that the County continues to impose and maintain the VFTA TLT Surcharge and Excise Tax Fund TLT and the City continues to impose and maintain the City 5% TLT and City 1% TLT for the life of the OCC Hotel Project Bonds.
- Z. The Parties intend to utilize the stability and resource capacity of the VFTA to obtain favorable terms for the OCC Hotel Project Bonds, which will benefit from the strength and duration of the VFTA system, and create the most efficient bond financing mechanism for public investment in the OCC Hotel Project. The Parties have included in this Agreement mechanisms intended to assure the continued health and strength of the VFTA system as a whole.
- AA. The Parties agree to redirect the non-VFTA SSTLTR generated by the OCC Hotel Project into the VFTA and that the amount and repayment structure of the OCC Hotel Project Bonds will be based upon the SSTLTR as set forth herein.
- BB. The Parties agree that, based on the current projections for the OCC Hotel Project, the entire VFTA system benefits from the inclusion of the non-VFTA SSTLTR in the VFTA because total revenues are increased and SSTLTR above the amount necessary for OCC Hotel Project Bond repayment, if any, will accrue to the VFTA.
- CC. The Parties agree that the VFTA system will benefit from more frequent and consistent financial review, and to achieve this outcome, have included in this Agreement the creation of a Financial Review Team with specified duties and tasks.

- DD. The Parties agree that the VFTA system will benefit from the development and ongoing maintenance of a Visitor Development Strategic Plan, and to achieve that outcome, have included in this Agreement a commitment to create and maintain such a plan.
- EE. The Parties agree that periodic review of this Agreement by the Parties is valuable to maintain its support of regional visitor facilities and visitor industry development in the Portland-Multnomah County area, and have included in this Agreement a commitment to discuss the terms of this Agreement periodically.

AGREEMENT

1. DEFINITIONS

“2001 Agreement” is defined in Recital B.

“Additional OCC Operating Support” is defined in Section 3.3.5.1.

“Administrative Fee” means the annual fee paid to the County as the Trustee and for administering the VFTA. The fee is equal to 0.7% of the gross annual revenues deposited in the VFTA from all sources.

“Agreement” or “VFIGA” means this 2013 amended and restated Visitor Facilities Intergovernmental Agreement.

“Beneficiaries” is defined in Section 3.2.

“Board” or “Visitor Development Fund, Inc. Board” means the duly appointed Board of Directors for VDFI, acting in accordance with the VDFSAs and the organization’s bylaws in exercising their responsibilities, including but not limited to decision-making and allocation of funds described in Sections 3.3.5 and 3.3.9.

“Bonds” mean, collectively, the Stadium Bonds, the Convention Center Completion Bonds, the PCPA Bonds, and the OCC Hotel Project Bonds, if such OCC Hotel Project Bonds are issued in the future consistent with Section 6.2.

“Bond Redemption Reserve” or “BRR” is defined in Section 3.3.13.

“City CAO” means the Chief Administrative Officer of the City of Portland.

“City 1% TLT” means the 1% transient lodging tax that the City is authorized to collect for the promotion of convention business and tourism under Portland City Charter Section 7-113.2 and Portland City Code Chapter 6.04, and which is a non-VFTA tax.

“City 5% TLT” means the 5% transient lodging tax that the City is authorized to collect for general purposes under Portland City Charter Section 7-113.1 and Portland City Code Chapter 6.04, and which is a non-VFTA tax.

“City Bonds” means, collectively, the Stadium Bonds, the Convention Center Completion Bonds, and the PCPA Bonds.

“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.

“County CFO” means the Chief Financial Officer of Multnomah County.

“CPI” means the Consumer Price Index, Urban, All Consumers, in the Portland-Salem, OR-WA area, or any successor index, as issued by the U.S. Department of Labor, Bureau of Labor Statistics.

“Dispute Resolution Committee” or “DRC” is defined in Section 8.1.1.

“Early Termination Date” is defined in Section 9.1.

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

“Escalated” is defined in Section 3.4.

“ETF IGA” is defined in Recital N.

“Excise Tax Fund TLT” or “ETF TLT” means the 3% transient lodging surcharge that the County collects under the authority of Multnomah County Code 11.401(D) and is utilized to support specified facilities and programs including the OCC, PCPA and the Regional Arts and Cultural Council, and which is a non-VFTA tax.

“Financial Review Team” or “FRT” is described in Section 7.2.

“Fiscal Year” or “FY” is defined as the twelve month period beginning July 1 and continuing through June 30.

“Metro COO” means the Chief Operating Officer of Metro.

“Net Revenues” mean the collections (including delinquent interest and penalties) from (1) the VFTA TLT Surcharge; (2) the VFTA VRT Surcharge; (3) the SSTLTR; and (4) earnings on amounts in the VFTA, less the Administrative Fee. Net Revenues does not include any amounts required to pay refunds of surcharge taxes, including interest, or other charges required by state law.

“OCC” means the Oregon Convention Center located in Portland, Oregon.

“OCC Annual Budget” is defined in Section 3.3.5.1.

“OCC Bonds” or “Convention Center Completion Bonds” means the City’s Limited Tax Revenue Bonds, 2001 Series B and Limited Tax Revenue Refunding Bonds, 2011 Series

A and any bonds issued to refund those bonds, including refunding of such refunding bonds.

“OCC Capital Improvement Expenses” means the costs associated with renewal and replacement of existing assets, as well as investments in new capital projects, that enhance the marketability of the OCC and maintain its quality and competitiveness.

“OCC Expenses” is defined in Section 3.3.5.1.

“OCC Hotel Project” means the proposed hotel to be located adjacent to the Oregon Convention Center, which will (i) function as the lead hotel for national marketing and convention purposes, (ii) include the necessary meeting and ballroom facilities, and (iii) provide a dedicated room block agreement for 500 rooms needed to bring additional national convention business to the OCC.

“OCC Hotel Project Bonds” means the revenue bonds or other debt obligations that may be issued by Metro consistent with Section 6.2 to fund a portion of the construction of the OCC Hotel Project, and any bonds issued to refund those bonds.

“OCC Hotel Project Development Agreement” means a contractual agreement between Metro and a developer for the development of a convention center hotel. Other related agreements between Metro and a hotel developer and/or hotel operator will address terms of the hotel operations (e.g. parking, room blocks and room rate impacts on the market).

“OCC Operating Expenses” means all costs and expenses of operating the OCC during a given Fiscal Year, consistent with the purposes of this Agreement or in accordance with an OCC Annual Budget.

“OCC Operating Revenues” means, for any given Fiscal Year, the gross cash receipts received by the OCC with respect to operations of the OCC.

“OCC Operating Support” is defined in Section 3.3.5.1.

“OCC Revenues” is defined in Section 3.3.5.1.

“Party” or “Parties” means the City of Portland, Multnomah County and Metro.

“PCPA” means the Portland Center for the Performing Arts, which includes the Arlene Schnitzer Concert Hall, the Ira Keller Auditorium and the Antoinette Hatfield Hall.

“PCPA Bonds” mean the City’s Full Faith and Credit Loan Agreement (PCPA Refunding) dated December 15, 2011, and any bonds issued to refund those bonds, including any refunding of such refunding bonds.

“Restricted Reserve” or “RR” is defined as Section 3.3.12.

“Rose Quarter Facilities” means the Veterans Memorial Coliseum and the Rose Quarter properties owned by the City of Portland, by and through the Office of Management and Finance.

“Spectator Facilities Fund Revenues” is defined in Section 5.3.1.

“SSTLTR” or “Site-Specific Transient Lodging Tax Revenues” means the transient lodging taxes collected from the users of the OCC Hotel Project based on the City 1% TLT, City 5% TLT, the Excise Tax Fund TLT, which are all non-VFTA taxes, and the VFTA TLT Surcharge.

“Stadium” means JELD-WEN Field (formerly known as PGE Park and Civic Stadium), the improvements of which were originally funded by the Stadium Bonds.

“Stadium Bonds” means the City’s Limited Tax Revenue Bonds, 2001 Series D issued by the City to fund the Stadium improvements, and any bonds issued to refund those bonds, including any refunding of such refunding bonds.

“Strategic Plan” or “Visitor Development Strategic Plan” is defined in Section 7.3.

“Termination Date” is defined in Section 9.2.

“TLT Net Revenues” means the Net Revenues so long as City Bonds are outstanding. Upon maturity or full defeasance of all City Bonds, TLT Net Revenues means the Net Revenues less the VFTA VRT Surcharge.

“Travel Portland” means the Oregon non-profit corporation organized for the primary purpose of promotion, solicitation, procurement and service of convention business and tourism for the Multnomah County area. Travel Portland was formerly known as Portland Oregon Visitors Association.

“Trustee” means the County CFO, or his designee.

“VDF” or “Visitor Development Fund” is defined in Section 3.3.9.

“VDF1” is defined in Section 3.3.9.1.

“VDF2” is defined in Section 3.3.9.2.

“VDFI” or “Visitor Development Fund, Inc.” means the non-profit corporation formed to budget for and administer the expenditure of certain VFTA allocations as described in the Visitor Development Fund Services Agreement.

“VDFSA” or “Visitor Development Fund Services Agreement” is defined in Recital C.

“VFTA” or “Visitors Facilities Trust Account” means the County tax account that (i) receives the VFTA TLT Surcharge and the VFTA VRT Surcharge collections, (ii) will be modified to receive the non-VFTA SSTLTR, and (iii) disburses Net Revenues and TLT

Net Revenues and other allocated disbursements as provided in this Agreement. The VFTA allocations are set forth in Section 3.3 and are sometimes referred to as the “bucket system”.

“VFTA TLT Surcharge” is defined in Section 2.1 and is a VFTA tax.

“VFTA VRT Surcharge” is defined in Section 2.2 and is a VFTA tax.

“VFTA Fund Forecast” is defined in Section 4.3.3.

“Year One” means Fiscal Year 2013-14.

2. FUNDING AGREEMENTS

2.1. Multnomah County Code 11.401(E) imposes a surcharge of 2.5% on the gross amounts of value paid to or received by the owners or operators of hotels, motels, and other lodging facilities for lodging of less than one month duration from occupants (the “VFTA TLT Surcharge”). The County will deposit the tax collections from the VFTA TLT Surcharge in the VFTA as provided in this Agreement.

2.2. Multnomah County Code 11.301(C) imposes a surcharge of 2.5% on the motor vehicle rental fee charged by commercial companies on vehicle rentals of 30 days or less (the “VFTA VRT Surcharge”). The County will deposit the tax collections from the VFTA VRT Surcharge in the VFTA as provided in this Agreement.

2.3. The County, as set forth in Section 4.1.3, will amend Multnomah County Code, as needed, to conform to the terms of this Agreement and transfer the SSSLTR.

2.4. The City will transfer SSSLTR as described in Section 5.4.

3. VISITOR FACILITIES TRUST ACCOUNT

3.1. To implement this Agreement, the County has established a Visitor Facilities Trust Account (VFTA) that is held separate from all other County funds. The County is the Trustee and will deposit into the VFTA (i) the revenues described in Sections 2.1 through 2.4 immediately upon receipt, and (ii) the earnings on the amounts held in the VFTA and delinquent interest and penalties that are collected, periodically. The County will disburse funds from the VFTA only as provided in the Agreement.

3.2. The Beneficiaries of the VFTA are:

3.2.1. The City of Portland,

3.2.2. The owners of the Bonds,

3.2.3. Metro,

3.2.4. The County, and

3.2.5. The Visitor Development Fund, Inc.

3.3. The Parties agree that each Fiscal Year, beginning in Year One and continuing until all Bonds are paid or defeased, the Trustee, after paying the Administrative Fee, refunds of surcharge taxes, including interest, and other charges required by state law, will apply funds in the VFTA solely for the purposes and in the order of priority described in Sections 3.3.1 through 3.3.13 and in accordance with the payment provisions of Section 4.2. VFTA allocations will not be distributed pro rata. Reimbursements are subject to the provisions of Section 4.2.6.

For debt service payments on the Bonds, the order of priority is described in Sections 3.3.1 through 3.3.4.

To fund programs, services, operations, capital improvements, and marketing that support the purposes of this Agreement, the order of priority is described in Sections 3.3.5 through 3.3.11. Unless otherwise stated, allocations in these Sections are as of Year One. Specified allocations are subject to being Escalated as defined in Section 3.4.

For the purposes of creating and maintaining reserves, the order of priority in funding a Restricted Reserve (RR) and Bond Redemption Reserve (BRR) is described in Sections 3.3.12 and 3.3.13.

3.3.1. OCC Bonds. 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), so long as OCC Bonds remain outstanding, 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 OCC Bonds.

3.3.2. PCPA Bonds. Second, to the City the amount necessary to pay scheduled debt service on the PCPA Bonds (including any mandatory sinking fund or redemption payments), so long as PCPA Bonds remain outstanding, 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.

3.3.3. Stadium Bonds. Third, to the City the amount certified by the City as necessary after application of Spectator Facilities Fund Revenues, as established in Section 5.3.1, to pay scheduled debt service on the Stadium Bonds (including any mandatory sinking fund or redemption payments), so long as Stadium Bonds remain outstanding, and any amounts required to reimburse the City for debt service it was required to pay from sources other than Spectator Fund Revenues in previous years in which insufficient funds were available in the VFTA to pay debt service when due on the Stadium Bonds.

3.3.4. OCC Hotel Project Bonds. Fourth, to Metro, the amount necessary to pay scheduled debt service on OCC Hotel Project Bonds (including any mandatory

sinking fund or redemption payments), if such bonds are issued as described in Section 6.2, so long as OCC Hotel Project Bonds remain outstanding.

3.3.5. OCC Operating Support. Fifth, to Metro an amount not to exceed One Million, Two Hundred Fifty Thousand Dollars (\$1,250,000), Escalated, for OCC Operating Support to maintain the OCC's competitiveness. An amount for Additional OCC Operating Support may also be requested by Metro annually. The amount of the OCC Operating Support and Additional OCC Operating Support, if any, will be established and reviewed as provided below.

3.3.5.1. No later than ninety (90) days prior to the start of each Fiscal Year, the Metro COO shall prepare and transmit to the Board a proposed preliminary budget (the "OCC Annual Budget"), which may be modified during Metro's budget process. The proposed preliminary OCC Annual Budget shall set forth in reasonable detail (i) anticipated OCC Operating Revenues and anticipated OCC Excise Tax Revenues for that Fiscal Year (collectively, "OCC Revenues"), (ii) anticipated OCC Operating Expenses and any proposed OCC Capital Improvement Expenses (collectively, "OCC Expenses"), and (iii) a request for VFTA funds for OCC Operating Support for the difference between the OCC Revenues and OCC Expenses up to One Million, Two Hundred Fifty Thousand Dollars (\$1,250,000), Escalated. If the difference between the OCC Revenues and OCC Expenses for that Fiscal Year exceeds One Million, Two Hundred Fifty Thousand Dollars (\$1,250,000), Escalated, a concurrent request for "Additional OCC Operating Support" can be submitted and considered consistent with Sections 3.3.5.2 and 3.3.5.6.

3.3.5.2. A request for Additional OCC Operating Support will be provided by Metro to the Financial Review Team at least ten (10) days prior to being submitted to the Board. The FRT shall review and analyze the request and provide advice to the Board as described in Task 2A of Attachment A.

3.3.5.3. At the time the proposed OCC Annual Budget is transmitted to the Board, the Metro COO will notify the City and County of the proposed OCC Operating Support amount and the requested Additional OCC Operating Support amount, if any. Unless the City, County or the Visitor Development Fund, Inc. Board give notice of objection to the proposed OCC Operating Support amount within 60 days of the Metro notice, the Metro Council may thereafter adopt the proposed OCC Annual Budget that includes an OCC Operating Support, up to the amount proposed by the Metro COO. If either the City, acting through its Mayor, the County acting through its Chair, or the Visitor Development Fund, Inc. Board, acting through a vote of its authorized membership, objects to the proposed OCC Operating Support amount, the matter will be referred to the Dispute Resolution Committee and the dispute resolution process described in Section 8.

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

3.3.5.5. If the Dispute Resolution Committee does not approve any OCC Operating Support, then no VFTA funds shall be allocated.

3.3.5.6. A request of Additional OCC Operating Support will be subject to specific action by the Board, acting through a vote of its authorized membership, to approve, deny or reduce the allocation. The standards for the Board's decision shall be whether approval of Additional OCC Operating Support in the specified amount will (i) fulfill the purposes of this Agreement and (ii) allow for other obligation of this Agreement to be met. The decision of the Board in this Section 3.3.5.6 is subject to the dispute resolution process described in Section 8.

3.3.5.7. If the process described in Sections 3.3.5.1 through 3.3.5.6 has been followed, and an amount for OCC Operating Support and Additional OCC Operating Support, if any, has been approved, upon adoption by the Metro Council of an annual budget that includes OCC Operating Support and Additional OCC Operating Support, the Metro COO may transmit the adopted budget to the County, who will pay the authorized amount for OCC Operating Support and Additional OCC Operating Support, if any, from the VFTA, as provided in this Agreement.

3.3.5.8. At the end of any Fiscal Year in which the OCC Operating Support and Additional OCC Operating Support, if any, is not fully expended to meet obligations of the OCC Annual Budget, the remaining funds shall be deposited by Metro in an OCC reserve fund dedicated for future capital or operational needs.

3.3.5.9. Notwithstanding Section 3.3.5, the amount for OCC Operating Support authorized for FY 2013-14 shall be One Million, Four Hundred Thirty-Nine Thousand and Eight Hundred Dollars (\$1,439,800). The process described in Sections 3.3.5.1 through 3.3.5.6 shall not apply in FY 2013-14.

3.3.6. County Visitor Facilities and Operations Support. Sixth, to the County, except as described in Sections 3.3.6.1 through 3.3.6.3, the amount of Five Hundred Thousand Dollars (\$500,000), Escalated, to fund operations and capital improvements supporting the purposes of this Agreement.

3.3.6.1. For FY 2013-14, the amount shall be Two Hundred Fifty Thousand Dollars (\$250,000).

3.3.6.2. Beginning in FY 2017-18 and continuing through FY 2020-21, the amount shall reset to Seven Hundred Fifty Thousand Dollars (\$750,000). The starting date of this increase shall be subject to review and confirmation by the Financial Review Team based on the sufficiency of VFTA revenues to cover the obligations of the Agreement, as described in Task 2B of Attachment A. The increased annual allocation shall be Escalated beginning the year in which the increase is confirmed by the Financial Review Team.

3.3.6.3. Beginning in FY 2021-22, the amount shall reset to One Million Dollars (\$1,000,000). The starting date of this increase shall be subject to review and confirmation by the Financial Review Team based on the sufficiency of VFTA revenues to cover the obligations of the Agreement, as described in Task 2B of Attachment A. The increased annual allocation shall be Escalated beginning the year in which the increase is confirmed by the Financial Review Team.

3.3.7. Enhanced OCC Marketing Support. Seventh, to Metro an amount for enhanced convention center marketing as follows:

3.3.7.1. For FY 2013-14, and annually until Metro issues OCC Hotel Project Bonds and an OCC Hotel Project has been in operation for eighteen (18) consecutive months, the amount of Four Hundred Fifty Thousand Dollars (\$450,000), Escalated.

3.3.7.2. Beginning with the third Fiscal Year after the OCC Hotel Project has been in operation for eighteen (18) consecutive months, and only in the event Metro issues OCC Hotel Project Bonds as described in Section 6.2, the allocation for Enhanced OCC Marketing Support shall be reduced to the amount of One Hundred Seventy-Five Thousand Dollars (\$175,000), Escalated, for as long as the OCC Hotel Project Bonds remain outstanding.

3.3.8. Convention Visitor Public Transit Passes. Eighth, to the entity contractually obligated to pay TriMet, the amount actually paid, up to Three Hundred Ninety Thousand Dollars (\$390,000), Escalated, for convention visitor public transit passes, and any amount required to reimburse that entity for costs up to Three Hundred Ninety Thousand Dollars (\$390,000), Escalated, per Fiscal Year that the entity was required to pay to TriMet in previous years in which insufficient funds were available in the VFTA to pay to that entity the amount allowed in this Section 3.3.8.

3.3.9. Visitor Development Fund. Ninth, to VDFI, to be deposited in the “Visitor Development Fund” (or “VDF”) for convention and tourism marketing purposes, separately into two subaccounts to be used as follows:

3.3.9.1. Subaccount Visitor Development Fund One (“VDF1”), the amount of Six Hundred Forty-Five Thousand Dollars (\$645,000), Escalated.

3.3.9.2. Subaccount Visitor Development Fund Two (“VDF2”), the amount of Eight Hundred Seventy-Five Thousand Dollars (\$875,000), to be deposited annually through FY 2029-30. The VDF2 allocation shall not be Escalated. Any unobligated VDF2 funds above \$250,000 annually shall be refunded to the County and deposited to the RR or BRR, as described in Sections 3.3.12 and 3.3.13.

3.3.10. PCPA Operations Support. Tenth, to Metro, for so long as Metro operates PCPA, the amount of Six Hundred Forty-Five Thousand Dollars (\$645,000), Escalated.

3.3.11. Rose Quarter Facilities and City Tourism Support. Eleventh, to the City, the amount of Five Hundred Thousand Dollars (\$500,000), Escalated, to fund Rose Quarter Facilities operations and capital improvements, and activities supporting the purposes of this Agreement.

3.3.11.1. Notwithstanding Section 3.3.11, for FY 2013-14, the amount of Two Hundred Fifty Thousand Dollars (\$250,000).

3.3.12. Restricted Reserve. Twelfth, to a “Restricted Reserve” (or “RR”), which funds shall be reserved for use in making disbursements in future years if Net Revenues and TLT Net Revenues are insufficient to pay all disbursements required for Sections 3.3.1 through 3.3.11. The minimum amount to be established and maintained in the RR shall be reviewed annually by the Financial Review Team, as described in Task 3A of Attachment A, and shall be equal to 1.5 times the maximum annual payments forecast to be expended for the required allocations in Sections 3.3.5 through 3.3.11 during the next five Fiscal Years in the VFTA Fund Forecast.

3.3.13. Bond Redemption Reserve. Thirteenth, any Net Revenues or TLT Net Revenues in excess of the amount required to be deposited in the RR will be deposited into a “Bond Redemption Reserve” (or “BRR”), and shall be used exclusively to redeem Bonds prior to their stated maturity date and at their earliest optional redemption date. Funds on deposit in the BRR will be used to call Bonds in the same priority order as shown in Sections 3.3.1 through 3.3.4, or as otherwise recommended by the Financial Review Team as described in Task 3B of Attachment A.

3.4. Allocations Subject to Being Escalated. “Escalated” means an annual increase to a stated amount based on the change in the CPI between the second half of the prior calendar year compared to the second half of the year immediately preceding the prior calendar year. For example, for Fiscal Year 2014-2015 (July 1, 2014 – June 30, 2015), each of the allocations will be multiplied by a fraction, the numerator of which is the CPI

for the second half of 2013 (July 1 – December 31, 2013) and the denominator of which is the CPI for the second half of 2012 (July 1 – December 31, 2012). Escalation for all allocation amounts in Sections 3.3.5 through 3.3.11 begins in Year One and continues annually thereafter unless otherwise stated. The Trustee shall calculate the Escalated amount for each Escalated allocation in Sections 3.3.5 through 3.3.11 at least one-hundred (100) days prior to the start of each Fiscal Year.

3.5. A periodic review of the VFTA cash flows and the VFTA Fund Forecast shall be performed by the Financial Review Team as described in Task 1 of Attachment A.

4. COUNTY OBLIGATIONS

4.1. Dedication of Net Revenues, TLT Net Revenues, and SSSLTR.

4.1.1. The County acknowledges that the City has issued and Metro intends to issue Bonds in reliance upon and secured in part by the Net Revenues and TLT Net Revenues.

4.1.2. The County commits to deposit into the VFTA (i) the tax collections from the VFTA TLT Surcharge and the VFTA VRT Surcharge and (ii) the SSSLTR, once these are tax collections are redirected by the City and County to the VFTA.

4.1.3. Within ninety (90) days of execution of this Agreement, the County will adopt an ordinance amending Multnomah County Code Chapter 11 consistent with this Agreement. However, the amendments to enable SSSLTR from the Excise Tax Fund TLT of the OCC Hotel Project to be redirected to the VFTA and to allow the VFTA to receive the non-VFTA SSSLTR shall be contingent upon Metro signing an OCC Hotel Project Development Agreement consistent with Section 6.2.

4.1.4. The County pledges, on behalf of the City, the Net Revenues for the benefit of the Beneficiaries and the owners of the City Bonds. The pledge is valid and binding from April 1, 2000, and will remain in effect until the City 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. The County's obligations under this Section 4.1.4 are limited solely to the Net Revenues and this Agreement is not "bonded indebtedness" within the meaning of Section 10, Article XI of the Oregon Constitution or as described in ORS 287A.105.

4.1.5. The County pledges, on behalf of Metro, the TLT Net Revenues for the benefit of the Beneficiaries and the owners of the OCC Hotel Project Bonds. The pledge is valid and binding from the date Metro signs an OCC Hotel Project Development Agreement, and will remain in effect until the OCC Hotel Project Bonds are fully paid. The TLT 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. The County's obligations under this Section 4.1.5 are limited solely to the TLT Net Revenues and this Agreement is not "bonded indebtedness" within the

meaning of Section 10, Article XI of the Oregon Constitution or as described in ORS 287A.105.

4.1.6. The City may assign the County's pledge of the Net Revenues for the benefit of the owners of the City Bonds, and Metro may assign the County's pledge of the TLT Net Revenues for the benefit of the owners of the OCC Hotel Project Bonds.

4.1.7. The County may make further subordinate pledges of the 14.5% base vehicle rental taxes collected under Multnomah County Code 11.301(B). Until the Bonds are paid or defeased, the County will not grant any additional liens on the Net Revenues or TLT Net Revenues.

4.1.8. Pursuant to the authority of ORS 287A.325, the County hereby agrees that it will:

4.1.8.1. Maintain the VFTA TLT Surcharge and the VFTA VRT Surcharge in effect until all City Bonds have been paid or the County has transferred sufficient funds to the City to defease all the City Bonds.

4.1.8.2. Maintain the VFTA TLT Surcharge and the Excise Tax Fund TLT in effect until all OCC Hotel Project Bonds have been paid or the County has transferred sufficient funds to Metro to defease the OCC Hotel Project Bonds.

4.2. Payment from the VFTA.

4.2.1. The County has established and will maintain a VFTA that complies with the terms of this Agreement.

4.2.2. After paying the Administrative Fee, refunds of surcharge taxes, including interest, and other charges required by state law, the Trustee will apply funds in the VFTA solely for the purposes and in the order of priority described in Sections 3.3.1 through 3.3.13.

4.2.3. The County will make payments (i) to the City for the City Bonds according to the established bond payment schedule and to Metro for the OCC Hotel Project Bonds, if such bonds are issued, according to the established bond payment schedule, (ii) to Metro quarterly, and (iii) to all other Beneficiaries at the end of each Fiscal Year in the amounts described in Sections 3.3.5 through 3.3.11.

4.2.4. The County will deposit into the reserves the amount required by Sections 3.3.12 and 3.3.13.

4.2.5. For each allocation amount in Section 3.3, if there are insufficient funds flowing into the VFTA to fully fund all allocations, the allocations will be funded from the Restricted Reserve in the same priority order stated in Section 3.3.

4.2.6. Reimbursements from the VFTA will occur as follows:

4.2.6.1. If there are insufficient funds in the VFTA in a Fiscal Year to pay the debt service allocations in Section 3.3.1 through 3.3.3, the City will be reimbursed in subsequent Fiscal Years after the allocations in Sections 3.3.1 through 3.3.4 are paid for the current Fiscal Year and before allocations in Sections 3.3.5 through 3.3.11 are disbursed for the current Fiscal Year.

4.2.6.2. If there are insufficient funds in the VFTA in a Fiscal Year to pay the allocation in Section 3.3.8, the entity will be reimbursed in subsequent Fiscal Years after the allocations in Sections 3.3.1 through 3.3.4 are paid for the current Fiscal Year and after any City reimbursement as described in Section 4.2.6.1 is paid but before allocations in Sections 3.3.5 through 3.3.11 are disbursed for the current Fiscal Year.

4.2.6.3. As provided in Section 6.2.4, if Metro is required to reimburse the VFTA for a shortfall in SSSLTR, refunds to Metro from a subsequent SSSLTR reconciliation accounting credit balance shall be made based on confirmation by the Financial Review Team as described in Task 5 of Attachment A.

4.2.6.4. No other allocation in the Agreement shall be eligible for reimbursement.

4.2.6.5. Reimbursement amounts will be paid with interest. Interest on amounts to be paid under this Section 4.2.6 shall be at the State of Oregon 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 in which the payment requiring reimbursement was outstanding and continuing until the reimbursement payment date.

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

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

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

4.3.3. The County will prepare an annual forecast of projected income and expenses for the VFTA through the life of the Agreement (the “VFTA Fund Forecast”) and make that forecast available for review by the Financial Review Team and to the Beneficiaries upon request.

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

4.3.5. The County may rely upon any certificate from the City or Metro reasonably believed by the County to be genuine and correct, and reasonably believed by the County to have been signed or sent by the City or Metro authorized representative.

4.3.6. 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.

4.3.7. This Agreement does not require the County to expend or risk its own funds (other than the Net Revenues or TLT Net Revenues) or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of its 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.

4.3.8. 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 into and become part of the VFTA.

4.4. The County will not take any action, or fail to take any action, that would result in any of the tax exempt Bonds becoming taxable.

5. CITY OBLIGATIONS

5.1. The City has issued limited tax revenue bonds, secured by the City's full faith and credit and amortized over a period not to exceed 30 years from the original date of the 2001 Agreement (January 31, 2001), as follows:

5.1.1. The Convention Center Completion Bonds, dated February 13, 2001, in the amount of \$99,998,888.25 and as subsequently refunded, to fund the Convention Center Completion Project, including the costs of issuance;

5.1.2. The PCPA Bonds, dated May 15, 2001, in the amount of \$2,100,000 and as subsequently refunded, to fund capital improvements to PCPA, including costs of issuance; and

5.1.3. The Stadium Bonds, dated May 15, 2001, in the amount of \$35,000,000 to fund improvements to the Stadium, including costs of issuance. The City may issue bonds or other indebtedness to fund Stadium improvements in addition to the Stadium Bonds, however, such bonds shall not be repaid from the VFTA.

5.2. The City issued the City Bonds conditioned on the VFTA TLT Surcharge and the VFTA VRT Surcharge, the creation of the VFTA, and the County's dedication of the tax collections from the VFTA TLT Surcharge and the VFTA VRT Surcharge to the VFTA.

5.3. So long as Stadium Bonds are outstanding:

5.3.1. The City will provide for the payment of a portion of the debt service on the Stadium Bonds from resources of the City's Spectator Facilities Fund ("Spectator Facilities Fund Revenues"). The original allocation of Stadium Bond debt service was based on an annual license fee payment expected to be received by the City from a prior operator of the Stadium. The prior operator is no longer associated with the Stadium and the City no longer collects the annual license fee payment in the amounts anticipated in the original allocation. The Parties have agreed that the City's share of debt service on the Stadium Bonds is equal to the FY 2002-03 payment of \$944,320.00, increasing by 4.00 percent per year to a payment of \$1,397,824.28 for FY 2012-13. Beginning in FY 2013-14, the City's share of debt service on Stadium Bonds will continue to increase by 4.00 percent per year unless the Stadium Bonds are refinanced to produce debt service savings. If the Stadium Bonds are refinanced, the City's share of Stadium Bond debt service will be determined as described in Section 5.3.2.

5.3.2. If the Stadium bonds are refinanced:

5.3.2.1. The remaining nominal debt service will be allocated in a manner that provides a total minimum of \$3,000,000 in debt service savings to the City's Spectator Facilities Fund Revenues, with the balance of debt service savings allocated to the VFTA. If less than \$3,000,000 total nominal debt service savings is produced, the entire amount of the savings will be allocated to the benefit of the City's Spectator Facilities Fund Revenues, but in no case will the allocation of nominal debt service paid by the VFTA be increased above the annual amounts originally anticipated prior to refunding. The Parties may elect to realize debt service savings upfront or in some manner other than uniformly over the remaining life of the refunding bonds.

5.3.2.2. Notwithstanding the conditions described in Section 5.3.2.1, and prior to the City's commitment to execute Stadium bonds to refinance the outstanding Stadium Bonds, the Financial Review Team shall review and verify the final debt service on the Stadium Bond refunding as described in Task 4A of Attachment A.

5.3.3. The City will calculate and provide directly to the Board the amount of any VFTA TLT Surcharge the City estimates to have been collected within East County Cities in the prior Fiscal Year that was applied to pay debt service on the Stadium Bonds. This amount will be used for visitor development programs, services or projects that benefit the East County Cities.

5.4. If Metro has signed an OCC Hotel Project Development Agreement consistent with Section 6.2 and the County has amended the Multnomah County Code consistent with Section 4.1.3, then, beginning the first Fiscal Year SSSLTR is generated by the OCC Hotel Project, the City will transfer funds equal to the SSSLTR attributable to the City 5% TLT and collected pursuant to Portland City Code Chapter 6.04 to the County to deposit in the VFTA, and continuing for the duration that the OCC Hotel Project Bonds remain outstanding.

5.5. The City will not take any action, or fail to take any action, that would result in any of the tax exempt Bonds becoming taxable. The City will indemnify the Parties for any costs incurred by them from City action, or failure to take action, that makes the OCC Bonds or the PCPA Bonds taxable.

6. METRO OBLIGATIONS.

6.1. Metro will not take any action, or fail to take any action, that would result in the OCC Bonds or PCPA Bonds becoming taxable. Metro will indemnify the Parties for any costs incurred by the Parties from Metro action, or failure to take action, that makes the OCC Bonds or the PCPA Bonds taxable.

6.2. Metro intends to enter into an OCC Hotel Project Development Agreement and to issue OCC Hotel Project Bonds as follows:

6.2.1. In support of the OCC Hotel Project, and after the OCC Hotel Project Development Agreement is signed, Metro will make a limited financial pledge of support for the OCC Hotel Project Bonds, which will be limited tax revenue bonds in an amount expected to provide not more than \$70,000,000 to fund a portion of the proposed OCC Hotel Project.

6.2.2. If Metro signs an OCC Hotel Project Development Agreement by December 31, 2018, and issues OCC Hotel Project Bonds, the OCC Hotel Project Bonds will be secured in part or in whole by TLT Net Revenues and will be amortized over a period not to exceed 30 years.

6.2.3. Prior to final pricing of the OCC Hotel Project Bonds, Metro shall submit the bond debt service to the Financial Review Team for review and verification as described in Task 4B of Attachment A.

6.2.4. Review and reconciliation of the SSSLTR and OCC Hotel Project Bond payments shall occur as described in Task 5 of Attachment A and as follows:

6.2.4.1. Within the first 180 days of every five Fiscal Years beginning in the sixth Fiscal Year following the opening of the OCC Hotel Project, and continuing for as long as the OCC Hotel Project Bonds are outstanding, the Financial Review Team shall undertake a reconciliation accounting review and analysis of the SSSLTR paid by the OCC Hotel Project. The Trustee may also initiate FRT review of the SSSLTR at any time the Restricted Reserve balance falls to, or is expected to fall to, 25%

or less of the minimum required in Section 3.3.11, or when the Restricted Reserve balance has declined for three consecutive Fiscal Years.

6.2.4.2. As a result of such review and reconciliation accounting, and if no funds are available in the Restricted Reserve, the FRT may determine that a Metro reimbursement payment to the VFTA is required. As described in Task 5 of Attachment A, the FRT shall determine the amount of any required reimbursement payment as long as it is no greater than the cumulative accounting debit balance. Metro shall make such reimbursement payment in equal annual installment payments over the ensuing three Fiscal Years, with such payments being made to the VFTA by the end of the second quarter of each Fiscal Year. Metro's obligation to make reimbursement payments under this section shall cease if at any time that the OCC Hotel Project Bonds are outstanding, any portion of the SSTLTR is no longer deposited in the VFTA.

6.2.4.3. If a Metro reimbursement payment is required, and to the extent the installment payments have been paid, the cumulative accounting credit balance resulting from a future reconciliation calculation will be used to make a refund payment to Metro from the VFTA consistent with Section 4.2.6.3. Such refund payments will be paid to Metro by the end of the second quarter of the Fiscal Year following the reconciliation.

6.3. So long as OCC Hotel Project Bonds are outstanding, Metro shall, at least twelve (12) months prior to the call date of the OCC Hotel Project Bonds, consider opportunities for refunding the bonds and shall consider the advice of the FRT, as described in Task 6A of Attachment A, on OCC Hotel Project Bond refunding.

6.4. If any portion of the OCC Hotel Project Bonds is issued as tax-exempt bonds, Metro will not take any action, or fail to take any action, that would result in any of the tax-exempt portion of the OCC Hotel Project Bonds becoming taxable. Metro will indemnify the City, the County and the VFTA for any costs that result from a Metro action, or failure to take any action, that makes the OCC Hotel Project Bonds taxable. However, this language will not apply in the event that actions undertaken by Metro resulting in a change in tax status of the OCC Hotel Project Bonds results in net financial benefits to the VFTA as confirmed by the FRT in their analysis described in Task 6B of Attachment A.

7. JOINT OBLIGATIONS OF CITY, COUNTY AND METRO

7.1. Reporting on use of VFTA funds. Within ninety (90) days of the end of each Fiscal Year, upon request of the Board or any Party to this Agreement, each Party requested shall furnish to the Board and the other Parties, a summary statement of the Party's use of VFTA funds in the previous Fiscal Year.

7.2. Financial Review Team. The Parties agree that establishing a "Financial Review Team" (or "FRT") with specified tasks will enhance the VFTA system through more

frequent and consistent financial review. The Parties agree to assign financial experts from each Party to perform certain financial review responsibilities on an ongoing and as needed basis in order to more actively monitor and manage VFTA resources, and to encourage accountable and efficient application of those resources. The composition of the FRT and its specified tasks and authorities are as follows:

7.2.1. The FRT shall be composed of the City CAO, the County CFO, and the Metro COO, or their respective assigned designees. The Trustee shall convene the FRT as needed and may invite the Executive Vice President - Finance & Administration for Travel Portland to participate with the FRT in an advising capacity.

7.2.2. Attachment A to this Agreement specifies the tasks to be performed by the FRT including the intended action(s) to be taken, the timing and/or frequency for each task, and the deliverable(s) for each task. The level of authority delegated to the FRT is also specified for each task either in Attachment A or in this Agreement. A decision by the FRT shall require a consensus agreement by all members on any specified action; however, each FRT member may provide advice to their respective elected official (i.e. City Mayor, County Chair or Metro President). If action is required and consensus is not achieved in a timely manner, any FRT member may refer the matter to the dispute resolution process describe in Section 8.1

7.2.3. The role of the FRT is to provide financial analysis, advice and recommendations to the Parties. The FRT does not have the authority to change or amend any term of the Agreement. The FRT and its members individually may recommend amendments to this Agreement to the Parties, which amendments shall only be implemented upon agreement of the Parties.

7.3. Visitor Development Strategic Plan. The Parties agree to work together to prepare a Visitor Development Strategic Plan (“Strategic Plan”) to provide general direction for the future use of VFTA funds in support of tourism and the convention industry to maximize the economic benefits for the Portland-Multnomah County area. The Parties agree to include the other Beneficiaries to this Agreement in the development of a Strategic Plan. The development of the Strategic Plan will begin in January of the third year following the opening of the OCC Hotel Project or January 2020, whichever comes first. Nothing in this section prevents an earlier start to the development of the Strategic Plan if the Parties, through the City Mayor, the County Chair, and the Metro Council President, agree to begin the process earlier. Once a Strategic Plan is developed, the Parties will use their best efforts to update the Strategic Plan at least every five years for as long as this Agreement is in effect.

7.4. The Parties agree to convene to review this Agreement periodically. Beginning on July 1, 2018, any Party may request the Parties convene to consider amendments to this Agreement. If a request to consider amendments is made, the Parties shall agree to convene and, in a timely manner, shall assign adequate staff resources, establish a schedule for negotiations and participate in the negotiations in good faith.

7.5. The Parties shall provide written notice to VDFI sixty (60) days in advance of amending this Agreement. The notice shall include an explanation, with reasonable particularity, of the proposed modification or amendment and, if available, a copy of the proposed modification or amendment.

8. DISPUTE RESOLUTION

8.1. If a dispute arises under this Agreement among the Parties, any Party, or the Board as described in Sections 3.3.5.3 and 3.3.5.6, may initiate the following dispute resolution process:

8.1.1. The initiating Party, or Board, will give written notice consistent with Section 10.2 to (a) the City Mayor, (b) the County Chair, (c) the Metro Council President and (d) the Board. The City Mayor, the County Chair and the Metro Council President, or their designees, will be the “Dispute Resolution Committee” (or “DRC”). The notice will identify the dispute for which the dispute process is initiated.

8.1.2. The 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.

8.1.3. Within 15 days of the notice, each Party and the Board may submit a written statement to the DRC stating the party’s position on the dispute.

8.1.4. Within 60 days of the notice, the DRC will decide on a resolution of the dispute and notify the Parties and Board of the resolution. Decisions of the DRC will be by majority vote. The Party that initiated the dispute shall be entitled to vote on the matter and shall not be deemed conflicted out of the decision.

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

9. TERMINATION AND REMEDIES

9.1. The County’s obligation to provide Net Revenues for the City Bonds shall terminate when all City Bonds are fully paid or defeased, and will end (i) no later than June 1, 2021, for the PCPA Bonds, (ii) no later than June 1, 2023, for the Stadium Bonds, and (iii) no later than June 1, 2030, for the OCC Bonds. If Metro does not issue OCC Hotel Project Bonds, as described in Section 6.2, this Agreement will terminate when all the City Bonds are paid or defeased (the “Early Termination Date”), and the Agreement may be extended beyond the Early Termination Date by agreement of the Parties.

9.2. The County’s obligation to provide TLT Net Revenues is tied to the OCC Hotel Project Bonds, which are expected to be outstanding beyond June 1, 2030. If Metro issues OCC Hotel Project Bonds consistent with Section 6.2, neither this Agreement nor the imposition of the VFTA TLT will terminate until all of the OCC Hotel Project Bonds are paid or defeased (the “Termination Date”), and the Agreement may be extended beyond the Termination Date by agreement of the Parties.

9.3. Notwithstanding Sections 9.1 and 9.2, all taxes subject to this Agreement that are imposed but not collected by the County on the Early Termination Date will be Net Revenues, and on the Termination Date will be TLT Net Revenues.

9.4. Before the Early Termination Date or Termination Date, this Agreement may only be terminated by the agreement in writing of all Parties.

9.5. So long as any of the City Bonds are outstanding and this Agreement is in effect, the obligations of the County to (i) collect the taxes imposed by Multnomah County Code 11.301(C) and 11.401(E), and (ii) maintain the Net Revenues and transfer them to the City to pay the City 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 or any amendment to this Agreement.

9.6. So long as the OCC Hotel Project Bonds are outstanding, and this Agreement is in effect, the obligations of the County to (i) collect the taxes imposed by Multnomah County Code 11.401(E), and (ii) maintain the TLT Net Revenues and transfer them to Metro to pay the OCC Hotel Project 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 or any amendment to this Agreement.

9.7. Upon reaching the Early Termination Date of this Agreement, the County may terminate or modify the tax surcharge imposed by Multnomah County Code 11.301(C).

9.8. Upon reaching the Termination Date of this Agreement, the County may terminate or modify the tax surcharge imposed by Multnomah County Code 11.401(E).

10. GENERAL PROVISIONS

10.1. Maintenance of Records. 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.

10.2. Notice. A notice or communication under this Agreement by a Party to another Party shall be sufficiently given or delivered if sent with all applicable postage or delivery charges prepaid by: (a) personal delivery; (b) sending a confirmed email copy (either by automatic electronic confirmation or by affidavit of the sender) directed to the email address of the Party set forth below; (c) registered or certified U.S. mail, return receipt requested; or (d) delivery service or “overnight delivery” service that provides a written confirmation of delivery, each addressed to a Party as follows

If to the City:	City of Portland Office of the Mayor 1221 S.W. Fourth Avenue, Room 340 Portland, Oregon 97204 Email: mayorcharliehales@portlandoregon.gov Phone No.: 503-823-4120
-----------------	--

and

City of Portland
Office of Management and Finance
1120 S.W. Fifth Avenue, Room 1204
Portland, Oregon 97204
Attn: Chief Administrative Officer
Email: jack.graham@portlandoregon.gov
Phone No.: 503-823-5288

with copies to:

Spectator Facilities & Development Manager
1120 S.W. Fifth Avenue, Room 1204
Portland, Oregon 97204
Attn: Spectator Facilities & Development Manager
Email: SpectatorFacilities@portlandoregon.gov
Phone No.: 503-823-6958

and

Office of the City Attorney
City of Portland, Oregon
1221 S.W. Fourth Avenue, 4th Floor
Portland, Oregon 97204
Attn: City Attorney
Email: Jim.VanDyke@portlandoregon.gov
Phone No.: 503-823-4047

If to the County:

Multnomah County
Office of the County Chair
501 N.E. Hawthorne Blvd., Suite 600
Portland, Oregon 97214
Email: mult.chair@multco.us
Phone No.: 503-988-3308

and

Multnomah County
Finance and Risk Management Division
501 N.E. Hawthorne Blvd.
Portland, Oregon 97214
Attn: Chief Financial Officer
Email: mark.campbell@multco.us
Phone No.: 503-988-6229

with copies to:

County Attorney
501 N.E. Hawthorne Blvd.
Portland, Oregon 97214
Attn: Jacquie Weber
Email: jacquie.a.weber@multco.us
Phone No.: 503-988-3138

If to Metro: Metro
Office of the Council President
600 N.E. Grand Avenue.
Portland, Oregon 97232
Email: tom.hughes@oregonmetro.gov
Phone No.: 503-797-1700

and

Metro
600 N.E. Grand Avenue.
Portland, Oregon 97232
Attn: Chief Operating Officer
Email: Martha.Bennett@oregonmetro.gov
Phone No.: 503-797-1700

with copies to: Office of Metro Attorney
Metro
600 N.E. Grand Avenue
Portland, Oregon 97232
Attn: General Counsel
Email: Alison.Kean.Campbell@oregonmetro.gov
Phone No.: 503-797-1511

Notice to the Board shall be sent to:

Travel Portland
1000 SW Broadway, Suite 2300
Portland, Oregon 97205
Attention: President -CEO
Email: grants@VisitorsDevelopmentFund.com
Phone No: (503) 275-9797

Each Party may, by notice to the other Party, specify a different address or confirmation number for subsequent notice purposes. Notices may be sent by counsel for a Party. Notice shall be deemed effective on the earlier of actual delivery or refusal of a Party to accept delivery, provided that notices delivered by email shall not be deemed effective unless simultaneously transmitted by another means allowed under this Section 10.2. For a notice to be effective, the copied persons must also be given notice.

10.3. 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 its obligations to any third party. Any attempted assignment or transfer will be void.

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

10.5. 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.

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

10.7. 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.

10.8. 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.

10.9. 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.

10.10. Counterparts; Electronic Transaction. This Agreement may be executed in counterparts, each treated as an original, and the counterparts will constitute one document. The Parties agree that they may conduct this transaction, including any amendments or extension, by electronic means including the use of electronic signatures and facsimiles.

10.11. Severability. If any term or provision of this Agreement or its application to any Party or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such term or provision to such Party or circumstance other than those as to which it is held invalid or unenforceable shall not be affected, and each term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

10.12. Construction and Interpretation. To the extent consistent with the context, words in the singular shall include the plural, words in the masculine gender shall include the feminine gender and the neuter, and vice versa. All provisions of this Agreement have been negotiated at arms length, and this Agreement shall not be construed for or against any Party by reason of the authorship or alleged authorship of any provision of this Agreement.

10.13. Implementation. The Parties agree to take all actions and execute all documents necessary to effect the terms of this Agreement.

[Signature page follows]

CITY OF PORTLAND

Approved as to form

James Van Dyke
City Attorney

Charlie Hales
Mayor

Date

MULTNOMAH COUNTY

Approved as to form

Jenny Madkour
County Counsel

Jeff Cogen
County Chair

Date

METRO

Approved as to form

Alison Kean Campbell
Metro Attorney

Tom Hughes
Metro Council President

Date

VISITOR FACILITIES INTERGOVERNMENTAL AGREEMENT ATTACHMENT A

Financial Review Team Tasks and Responsibilities

The purpose of the Financial Review Team or FRT is defined in Section 7.2 of the Visitor Facilities Intergovernmental Agreement (“VFIGA”). The composition of the Financial Review Team and its convening are described in Section 7.2.1 of the VFIGA. Decision making for the FRT is described in Section 7.2.2. All section references in this Attachment are to the VFIGA and defined terms in this Attachment have the same meaning as in the VFIGA.

Task 1 – Periodic Review of VFTA cash flows and VFTA Fund Forecast

FRT Action: As provided in Sections 3.5, review VFTA cash flow and VFTA Fund Forecast for sufficiency and capacity to fund all VFIGA obligations and priorities.

Information to be reviewed may include but are not limited to:

- Historical and projected funding adequacy
- Reserve/Fund Balance levels and projections
- Prepayment and/or refunding possibilities for Bonds and examination of which Bonds would yield the most value to the VFTA system if prepayment or refunding were implemented
- Comparison of actual VFTA and SSSLTR receipts to projections
- VFTA funding requirements as compared to actual VFTA funding needs and priorities
- Factors affecting, or projected to affect, the local and national economy, particularly those that influence the VFTA system revenues

Timing/Frequency: At least annually and no later than 90 days prior to the start of each Fiscal Year. Reviews may occur more frequently if requested by any Party to the VFIGA.

FRT Deliverables: The Financial Review Team representative from each Party shall provide a summary to each Party’s members of the VDFI Board. The Financial Review Team may also provide periodic reporting to other relevant VFTA participants as needed. The FRT may also provide advice to the City Mayor, the County Chair and the Metro Council President on desired and appropriate adjustments to the VFTA that may require amendment to the VFIGA.

Task 2 – Recommendations on Adequacy of VFTA Funding and Initiation of Certain Actions

Task 2A: VFTA Forecast Review for Additional OCC Operating Support requests per Sections 3.3.5.2 and 3.3.5.6.

FRT Actions: Review VFTA Fund Forecast and analyze expected adequacy of VFTA funds to fulfill the allocations in 3.3.1 through 3.3.11 and the reserve accounts in 3.3.12 and 3.3.13. Review the adequacy of SSSLTR collections to meet OCC Hotel Project Bond payments in 3.3.4. Provide advice to VDFI Board prior to their consideration of a request for Additional OCC Operating Support per Section 3.3.5.2 or approving such request per Section 3.3.5.6. In their review, the FRT may take into consideration the review information included in Task 1 and the adequacy of the VFTA reserves as described in Section 3.3.12 and 3.3.13, any OCC capital or operating reserve funds carried by Metro and the results of the most recent reconciliation review and analysis describe in Task 5.

Timing/Frequency: If Metro intends to make a request for Additional OCC Support, at least 100 days prior the beginning of each Fiscal Year, as described in Sections 3.3.5.1 and 3.3.5.2.

FRT Deliverable: Report to the VDFI Board and each Party's members of the VDFI Board, which shall accompany the Additional OCC Operating Support request, describing the anticipated sufficiency of VFTA revenues and reserves to cover all obligations of the Agreement.

Task 2B: Confirm Adequacy of VFTA to Cover Step Increases for County Allocation per Section 3.3.6.3 and 3.3.6.4

FRT Action: Review of VFTA Fund Forecast and determine expected adequacy of VFTA funds to support increases of County allocation per Section 3.3.6 along with other VFTA allocations. The FRT shall use the review information included in Task 1 and may include the results from the most recent SSSLTR reconciliation review as described in Task 4B in this determination, provided that a debit balance will not be the sole reason to reject or delay the step increases.

Timing/Frequency: At least 90 days in advance of Fiscal Years identified in Section 3.3.6.3 and 3.3.6.4 and as needed in subsequent Fiscal Years if increases are not confirmed at an earlier allowed date.

FRT Deliverables: Confirmation, by email to the Trustee, to increase or not increase the County allocation.

Task 3 – Review Restricted Reserve Amount and Determine Bond Redemption

Task 3A: Review Restricted Reserve Amount per Section 3.3.12

FRT Action: Review of VFTA Fund Forecast and calculation of amount required to be maintained in the Restricted Reserve to meet the requirements of Section 3.3.12.

Timing/Frequency: Annually along with Task 1 review.

Deliverables: Direction to the County Trustee regarding the amount required to be maintained in the Restricted Reserve.

Task 3B: Recommend Bond Redemption Priorities per Section 3.3.13

FRT Action: Review funds available in Bond Redemption Reserve and bond call opportunities against priority order of bond allocations in Sections 3.3.1 through 3.3.4 to recommend bond redemption priority.

Timing/Frequency: Annually along with Task 1 review.

Deliverables: Recommendation to the County Trustee regarding the priority order for bond redemption consistent with Section 3.3.13.

Task 4 – Review and Verify Bond Debt Service

Task 4A: Review and Verify Final Stadium Bond Refunding Debt Service

FRT Action: As provided in Section 5.3.2.2, review final proposed debt service on Stadium Bond Refunding to ensure consistency with Section 5.3.2.1.

Timing/Frequency: Once, immediately prior to final pricing of Stadium Bonds

FRT Deliverable: Verification of Stadium Bond debt service schedule consistency with Section 5.3.2.1, which verification shall be provided by email, to the City CAO, or his designee and the Trustee.

Task 4B: Verify OCC Hotel Project Bond Debt Service

FRT Action: As provided in Section 6.2.3, compare final proposed debt service on OCC Hotel Project Bonds to OCC Hotel Project SSSLTR and to VFTA cash flow projections, review

communications regarding tax-exempt status, and confirm adequacy of projected SSTLTR to cover annual bond payments for consistency with the terms in Section 6.2.

Timing/Frequency: Once, immediately prior to final pricing of OCC Hotel Project Bonds

FRT Deliverable: Verification of OCC Hotel Project Bond debt service schedule consistency with Section 6.2, which verification shall be provided by email, to the Metro COO, or his designee and the Trustee.

Task 5 –Perform Reconciliation Review and Analysis of SSTLTR and Determine Metro Reimbursements and Refunds

FRT Actions:

A) Consistent with Section 6.2.4, review and analyze the SSTLTR paid by the OCC Hotel Project as follows:

1. The Trustee shall prepare a reconciliation accounting of (1) the collected SSTLTR, including the difference between the amount stated in Sections 3.3.7.1 and the amount stated in Section 3.3.7.2, as Escalated, for Enhanced OCC Marketing Support, and (2) the amount of principal and interest (debt service) on OCC Hotel Project Bonds paid to Metro from VFTA funds during that corresponding time period.
2. The FRT will compare the amount of SSTLTR that was paid by or attributed to the OCC Hotel Project to the payments for the OCC Hotel Project Bonds under Section 3.3.4. If the total of the SSTLTR is larger than the total of the bond payments, an accounting “credit” will be recorded for the time period being analyzed. If the total of the bond payments is larger than the total of the SSTLTR, an accounting “debit” will be recorded for the time period being analyzed.
3. The credits and debits will be summed to determine if the cumulative accounting balance is positive (a “credit balance”) or negative (a “debit balance”). The cumulative accounting balance will be carried forward into subsequent reconciliation reviews.

B) Consistent with Section 6.2.4, determine if a Metro reimbursement payment is due and the amount, if any, that should be paid by Metro to the VFTA, or if a refund to Metro is due, as follows:

1. As described in Section 6.2.4.2, if the cumulative accounting balance is a debit balance, and if no funds are available within the VFTA Restricted Reserve, the FRT may determine that Metro be required to remit to the County for deposit in the VFTA a reimbursement payment up to the amount of the debit balance. The FRT can set the reimbursement payment to an amount less than the debit balance and can choose to delay payment until a subsequent reconciliation review is completed. Any debit balance that may be remaining after a Metro reimbursement payment is determined shall be carried forward into subsequent reconciliation reviews.
2. The FRT shall determine if a reimbursement payment is required by Metro by considering appropriate financial factors, including but not limited to: the fluctuations in SSTLTR collections over the life of the OCC Hotel Project Bonds taking into consideration historic trends and current economic indicators, the amount of the negative balance, and the VFTA Fund Forecast.
3. As described in Section 6.2.4.3, the FRT shall determine if Metro is owed a refund payment. If, after refunding to Metro all reimbursement payments made by Metro in prior Fiscal Years, an accounting credit balance still remains, the credit balance will be carried forward into subsequent reconciliation reviews.

Timing/Frequency: As described in Section 6.2.4.1.

FRT Deliverables: 1) Reconciliation report to Metro COO. 2) Direction to the Trustee and Metro COO on Metro's required reimbursement of the VFTA or refunds to Metro from the VFTA.

Task 6 – Advise on OCC Hotel Project Bond Refunding and Tax Status

Task 6A: Advise on OCC Hotel Project Bond Refunding per Section 6.3

FRT Actions: As described in Section 6.3, review and analyze opportunities to refund OCC Hotel Project Bonds. Factors to consider in this analysis include but are not limited to: the financial benefits for the VFTA and Parties of refunding; the expected adequacy of SSSLTR to support OCC Hotel Project Bond refunding without contributions from non-VFTA revenues; and any request from Metro to use a reconciliation credit balance to defease the then outstanding OCC Hotel Project Bonds.

Timing/Frequency: Per Section 6.3.

Deliverables: Advice and guidance to the Metro COO regarding OCC Hotel Project Bond debt service coverage excluding non-VFTA revenues, and any proposed OCC Hotel Project Bond refunding structure.

Task 6B: Determine Net Financial Result of Change in Tax Status of OCC Hotel Project Bonds, per Section 6.4

FRT Actions: As described in Section 6.4, review any action undertaken by Metro that results in a change in tax status of the OCC Hotel Project Bonds to determine if the results are a net financial benefit to the VFTA.

Timing/Frequency: Within 30 days of a change in the tax status of the OCC Hotel Project Bonds.

Deliverables: Report to the City Mayor, County Chair and Metro Council President on the net financial impact to the VFTA of a change in tax status of the OCC Hotel Project Bonds.

Confidential Information:

For the purposes of the OCC Hotel Project funding strategy included in the VFIGA, the Parties must be provided information about the SSSLTR on an ongoing basis in order to perform their responsibilities under the Agreement. Metro will obtain a waiver to Portland City Code 6.04.130.D from the OCC Hotel Project operator, including agreement to periodic updates of such waiver, to allow sharing of the SSSLTR information with the Financial Review Team, who shall sign a confidentiality agreement.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 13-4452, FOR THE PURPOSE OF APPROVING THE AMENDED AND RESTATED VISITOR FACILITIES INTERGOVERNMENTAL AGREEMENT AND RESOLUTION NO. 13-4453, FOR THE PURPOSE OF APPROVING THE OREGON CONVENTION CENTER HOTEL PROJECT TERM SHEET

Date: August 15, 2013
Prepared by: Cheryl Twete

BACKGROUND

In October of 2011, the Metropolitan Exposition Recreation Commission (MERC) and the Oregon Convention Center (OCC) Advisory Committee requested that Metro Council consider developing a convention center hotel, citing ongoing concerns that the lack of an adjacent convention center hotel continues to be a primary reason the OCC increasingly loses national convention market share to its competitors.

On January 17, 2012, Council convened a joint work session with MERC in which a presentation of the OCC's fiscal year 2010-11 economic impacts concluded that the lack of an adjacent convention center hotel was a significant challenge to the facility's ability to maintain its national convention market share. The two bodies agreed that, as stewards of the public facility, measures to maximize regional economic impact by solidifying its national convention business should be identified and implemented by staff.

On January 26, 2012, Council approved Resolution 12-4327, which directed staff to proceed with an Oregon Convention Center Enhanced Marketing Initiative work program, including Phase I Assessment of pursuing a privately owned, financed, constructed and operated hotel adjacent to the convention center to serve national convention clients, and report back to Council by April 30, 2012.

On April 26, 2012, Council was briefed by staff on Phase I Assessment conclusions which outlined the following completed assignments:

- Documented hotel room block deficiency surrounding the OCC
- Defined desired convention center hotel program
- Convened jurisdictional partners to work together to enhance the regional economic impact of the OCC by increasing the number of national conventions at OCC
- Executed a Statement of Principles – a joint declaration of the public goals for the OCC Hotel project

The Statement of Principles, executed by Multnomah County Chair Jeff Cogen, then Portland Mayor Sam Adams, Portland Development Commission (PDC) Executive Director Patrick Quinton and Metro President Tom Hughes, reflected a common Staff Report, Resolution No. 13-4452 and 13-4453

understanding of 1) the OCC's fundamental competitive disadvantage with other comparable-sized facilities and 2) the regional and statewide economic benefits of OCC. It also recognized that public investment would likely be necessary to achieve a convention-quality hotel of the type and scale necessary to "move the needle" in terms of driving additional national convention business to the OCC.

Based on the satisfactory completion of Phase I Assessment, at its April 26, 2012, meeting, Council approved Resolution 12-4346 and authorized implementation of Phase II, directing staff to issue a Request for Proposals (RFP) for the development of an Oregon Convention Center (OCC) Hotel consistent with the goals and public resources identified in the Statement of Principles.

On April 30, 2012, the Portland Development Commission approved Resolution #6942 endorsing Metro's RFP process and authorizing the Executive Director to enter into negotiations with the selected developer, should a feasible development team be selected as a result.

The RFP was issued on May 11, 2012, seeking a private development team to build a privately owned and operated 4-star convention hotel adjacent to the convention center and including a 500-room room block, among other City and Metro construction and operational requirements. Two proposals were received and a public/private RFP evaluation team was convened to carefully assess and forward recommendations to the Council.

On September 13, 2012, staff returned to the Council with recommendations for development team selection and Council adopted Resolution 12-4365, selecting Mortenson Development Company/Hyatt Hotels (Mortenson/Hyatt) as the development team and authorizing staff to begin predevelopment negotiations (Phase III of the project) following the successful completion of a Labor Peace Agreement between Hyatt Hotels and UNITE HERE labor union. Upon confirmation that such agreement had been reached between the two parties, Metro commenced predevelopment negotiations with Mortenson/Hyatt on October 31, 2012.

In the ensuing months, staff worked with the development team on a financing model with the goal of limiting public investment and risk and an OCC Hotel Term Sheet detailing the essential elements of the project.

On December 4, 2012, Council received a briefing on the status of the predevelopment negotiations and the public bonding tools under consideration to assist in financing construction of the hotel.

Since that time, additional tools and models were explored and developed for Council consideration. Finance and legal staff at Metro, Multnomah County and the City of Portland have also been working on a parallel track creating a set of amendments to the existing Visitor Facilities Trust Fund Intergovernmental Agreement (VF IGA) to facilitate the use of site-specific transient lodging taxes to support the costs associated

Staff Report, Resolution No. 13-4452 and 13-4453

with construction of the hotel. A summary of both efforts, including the draft OCC Hotel Term Sheet, was presented at a joint Council/MERC work session on July 9, 2013.

Since the July 9, 2013, work session, several key milestones have been accomplished. A public open house was held on August 1, 2013, and, on August 7, 2013, MERC approved Resolution 13-19 expressing support for amendments proposed to the VF IGA and Resolution 13-20, the proposed OCC Hotel Term Sheet. On August 8, 2013, Council held a public hearing on the OCC Hotel project. More information on the outcomes of these meetings will be provided at the August 15, 2013, Council meeting.

Action Items Before Council

The Council is being asked to consider and act upon two items:

Resolution 13-4452 which approves the Visitor Facilities Intergovernmental Agreement

Resolution 13-4453 which approves the OCC Hotel Project Term Sheet with Mortenson Development Company and directs Metro staff to execute a development agreement with Mortenson Development

Visitor Facilities Intergovernmental Agreement (VF IGA)

Since March 2013, staff has actively engaged in negotiations with City and County staff to prepare a thorough set of amendments to the existing Visitor Facilities Intergovernmental Agreement (VF IGA). See Exhibit A to Resolution No. 13-4452 for the amended and restated VF IGA and Attachment 1 Summary of Amended and Restated VF IGA for a summary of the VF IGA.

The VF IGA was originally approved in 2001 by the City of Portland, Multnomah County and Metro. The VF IGA: 1) authorized collection of a 2.5% transient lodging tax (TLT) surcharge and a 2.5% vehicle rental tax surcharge; 2) established the Visitor Facilities Trust Account (VFTA); 3) provided for distribution of the taxes collected to a variety of uses supporting visitor development and tourism facilities and activities; and 4) called for the creation of the Visitor Development Fund Inc. (VDFI). The VDFI Board is a public/private board comprised of elected officials from Metro, the County, and City, along with representatives from the hospitality industry. Its purpose is to direct the use of certain allocations established by the VF IGA.

The proposed VF IGA amendments before Council reflect updated and new priorities and needs of the governments managing the region's visitor facilities and public/private tourism promotion programs. The amendments include provisions to accommodate a future OCC Hotel Project, including redirection of certain site-specific TLT into the overall VFTA, and an allocation of funding to support hotel revenue bond debt service payments to Metro. Other amendments address: 1) additional new or revised priorities intended to support the tourism and hospitality industry; 2) new management approaches

Staff Report, Resolution No. 13-4452 and 13-4453

for annual financial reviews, creation of reserves for on-going allocations and early bond repayment; and 3) the creation of a future strategic plan for the industry and visitor facilities. Staff conducted stress tests to ensure that adequate funding would be available for all of the proposed priorities; even under severe and worst-case economic conditions. It is expected that the City and County will act upon the amendments in September 2013.

Staff believes that the proposed VF IGA amendments represent fair and reasonable updates and revisions for the public and private partners involved in the tourism and convention industry. Metro's priorities in the VF IGA negotiation process were to ensure that: 1) the OCC has long-term and appropriate levels of operating and marketing funding; 2) a viable funding mechanism is created to support Metro's issuance of the OCC Hotel revenue bonds; and 3) efforts on behalf of City and County partners related to the hospitality and tourism industry are supported.

Metro staff and financial advisors, in consultation with City and County financial staff, have also analyzed and defined general OCC Hotel bond underwriting assumptions. The fundamental assumptions employed as part of the VF IGA effort as well as for the OCC Hotel Term Sheet (described below) are that the OCC Hotel bond amount is capped at \$70 million and bond repayment is consistent with the projected OCC Hotel site-specific revenues, debt service coverage ratio of 1.05, with approximately a 30-year term (similar to the OCC Expansion Bonds term). The final interest rates and other terms will be based upon these factors and bond market conditions at the time of issuance. Council will take separate action to authorize the hotel revenue bond which is expected to occur at the same time or immediately following the dates both the City and County consider the VF IGA amendments.

The amendment creates a viable path for the proposed OCC Hotel by enabling the equivalent of 11.5% of the 12.5% visitor-paid, site-specific TLT to be generated by the OCC Hotel to be redirected to the VFTA and used to reimburse Metro for revenue bond debt service payments. The proposal originally submitted by Mortenson/Hyatt was to utilize OCC Hotel site-specific TLT to support private financing of the hotel; however, due to complex state and federal regulations, consultants advise that the most efficient manner to structure the publicly-issued Metro revenue bonds is as proposed in the draft VF IGA.

Staff recommends approval of Resolution 13-4452 authorizing approval and execution of the amended and restated VF IGA. Upon consideration and approval of the VF IGA by Council and City and County partners, the document will be executed and implemented immediately. Without approval and execution of the VF IGA amendments, Metro will not be able to agree to or perform the responsibilities identified in the OCC Hotel Project Term Sheet. The 2013 VF IGA provides important updated funding and management approaches for the tourism and hospitality industry and staff acknowledges the hard work and efforts of the jurisdictional partners.

OCC Hotel Term Sheet

The OCC Hotel Term Sheet represents a preliminary business deal term agreement with Mortenson/Hyatt. It consists of a description of the project and its programming, projected costs and funding sources, project schedule, site and design attributes of the proposed OCC Hotel and roles and responsibilities of the key team members, including the Portland Development Commission. This document, while not legally binding, is a significant milestone for the OCC Hotel project and reflects a joint understanding of how the project will move forward. It builds upon the momentum of the State of Oregon’s recent approval of a \$10 million grant for the project, which demonstrated a strong commitment to and understanding of the importance of the tourism industry in Oregon.

A general description of the project is as follows:

- 600 (approximately) room Hyatt Regency
- 500 room block commitment
- 35,000 square feet of meeting and ballroom facilities
- On-site restaurant/bar facilities and food and beverage catering services
- Quality amenities of the Hyatt Regency brand
- Commitment to public policy priorities – LEED Silver or higher, City of Portland’s Business and Workforce Equity and MWESB policies, and Metro’s First Opportunity Target Area (FOTA) program

The OCC Hotel Term Sheet is included in Exhibit A to Resolution No. 13-4453. If approved by Council, it will serve as the basis for continued negotiations of a full development agreement, room block agreement, revenue bond documentations and other project agreements. Staff expects to return to Council for final development approvals in Fall/Winter 2013.

Obtaining approval of both the VF IGA and the OCC Hotel Term Sheet is necessary for predevelopment planning to proceed. Without VF IGA approvals, Metro would not have the financing tools it requires to commit to issuing revenue bonds. As agreed to in 2012, Metro serves as the lead partner for the OCC Hotel Project and the City and County are not parties to the OCC Hotel Term Sheet. Metro anticipates providing \$4 million of grant funding to the project and is coordinating with the City of Portland Development Commission on its proposed \$4 million of urban renewal financing for the project as well as urban design planning for the site.

The project schedule is another critical element. To take advantage of interest rates and construction costs that remain historically low, Metro and Mortenson Development propose to move forward with the following next steps and decision points:

Staff negotiates development/financing agreement	Fall 2013
Metro Council/PDC final approvals	Winter 2013
Construction begins	Summer 2014
Construction completed	Fall 2016
Hotel Opens	Fall 2016

KNOWN OPPOSITION (TO BE UPDATED)

Staff Report, Resolution No. 13-4452 and 13-4453

At this stage of the potential project, there is a group of local hoteliers who have indicated their opposition to this project, similar to the opposition voiced during the 2007-09 publicly-owned hotel effort. There could be concerns from some members of the public who may question whether public investment in private development projects is appropriate. Staff will report on the outcome of the August 1, 2013, public open house and comments received. During the next several months of the project, Metro will track issues raised by interested stakeholders and address appropriately. An open and transparent public communication and outreach strategy is essential to the success of the project.

LEGAL ANTECEDENTS

Marketing of the OCC is a necessary part of the Metro's charter authority to operate public cultural, trade, conventional and exhibition facilities, Metro Charter Section 6.

BUDGET IMPACTS

Budgeted FY 2013-14 funds are expected to be adequate for the project pre-development and development phases.

Approval by all three jurisdictions of the VF IGA will initiate the amendments which will impact the OCC and Portland Center for the Performing Arts (PCPA) in terms of each venue's rank and priority in the use of VFTA funds. For the OCC, additional requirements will be placed on the annual operational deficit budget request. As stated above, the amendments to the VF IGA have been tested against anticipated performance of the new OCC Hotel and potential future economic downturns, as experienced in the last twelve years. Staff is confident that the amendments and potential implications for the OCC and PCPA funding will not threaten the budgets of those venues.

These resolutions seeks authority to enter into the VF IGA and proceed with further development negotiations, but does not seek authorization of any specific project agreements, nor does it obligate Metro to commit any funding to the project.

ANTICIPATED EFFECTS

Adopting Resolution No. 13-4452 and 13-4453 would authorize Metro to proceed with the Phase III effort for the Oregon Convention Center, in partnership with Multnomah County, City of Portland, Portland Development Commission and MERC. The resolution would authorize Metro staff to negotiate with the development team to prepare all development, room block and funding agreements and present to Metro Council in Fall/Winter 2013 for final approvals.

Staff will provide progress reports to Metro and MERC throughout this next phase.

Staff Report, Resolution No. 13-4452 and 13-4453

RECOMMENDED ACTION

Staff recommends Council approve Resolutions No. 13-4452 and 13-4453.

Attachment 1
Summary of Amended and Restated VF IGA

Proposed Amended Visitor Facilities Intergovernmental Agreement

Background and description of amendments under consideration – August 1, 2013

The Visitor Facilities Intergovernmental Agreement (VF IGA) was originally approved in 2001 by the City of Portland, Multnomah County and Metro to: 1) establish a 2.5% Transient Lodging Tax surcharge and a 2.5% Vehicle Rental Tax surcharge; 2) establish the Visitor Facilities Trust Account (VFTA); 3) allocate and distribute the tax surcharges collected to a variety of uses supporting visitor development and tourism facilities and activities; and 4) create the Visitor Development Fund Inc. (VDFI). The VDFI Board is a public/private board composed of elected officials from Metro, the County, and the City along with representatives from the hospitality industry and directs the use of certain allocations established by the VF IGA.

In March 2013, City of Portland, Multnomah County and Metro staff re-engaged in a process, begun in 2012, to update the 2001 VF IGA. The proposed amendment package, if approved by the City Council, County Board and Metro Council, will be the first amendment to the Agreement in its 12-year history. The main goals of the VF IGA amendments are:

1. To reflect updated and new priorities of the partners and clarify existing intent and priorities.
2. To provide a mechanism to redirect site-specific Transient Lodging Taxes (SSTLTR) collected at the OCC Hotel Project into the VFTA to support the OCC Hotel Project Bonds.
3. To provide a mechanism for debt service payments on revenue bonds which will be issued by Metro to support the development of the OCC Hotel Project.
4. To provide for long-term stability of the VFTA system and its funding priorities by updating revenue and expenditure projections and creating processes for ongoing financial review.
5. To revise the document structure to provide clearer organization and ease of reading.

The proposed amendments include the following:

1. Recitals – provide more history and clarity regarding purpose and intent
2. Restructure organization of document – consolidate language and reduce redundancy to more clearly describe funding priorities and obligations of parties

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3. Create mechanisms to redirect the site-specific City 5% TLT (General Fund), the site-specific 3% Excise Tax Fund TLT, and the equivalent of the site-specific City 1% TLT (Tourism Promotion) into the VFTA.
4. Create mechanism for debt service payments on Metro issued Hotel Project Bonds using equivalent of site-specific Transient Lodging Tax Revenues (SSTLTR) within VFTA, with excess SSTLTRs above debt service payments accruing to the benefit of the VFTA.
5. Revise allocation priorities to reflect 2013 needs and opportunities (see VFTA priorities below).
6. Create process for periodic financial review of VFTA finances by City/County/Metro financial leads including mechanisms for reviewing Hotel Project Bond payment terms, reviewing financial performance of VFTA and providing analysis, as needed, to the VDFI Board.
7. Create reserve requirements to ensure allocations are covered if revenues decline; create a new reserve for early bond redemptions.
8. Agreement to work on a future Visitor Development Strategic Plan.
9. Maintain basic legal provisions regarding dispute resolution, termination and remedies.

Agenda Item No. 4.3

Resolution No. 13-4453, For the Purpose of Approving the
Oregon Convention Center Hotel Project Term Sheet.

Resolutions

Metro Council Meeting
Thursday, August 15, 2013
Metro, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING THE	)	RESOLUTION NO. 13-4453
OREGON CONVENTION CENTER HOTEL)	
PROJECT TERM SHEET	)	Introduced by Chief Operating Officer Martha
	)	Bennett in concurrence with Council
	)	President Tom Hughes

WHEREAS, Metro owns and operates the Oregon Convention Center (OCC with the expertise and oversight of the Metropolitan Exposition and Recreation Commission (MERC); and

WHEREAS, in October 2011, MERC requested that Metro reconsider a convention center hotel project to enhance the ability to attract additional national convention business to OCC and enable OCC to remain competitive with its peer convention centers; and

WHEREAS, on January 26, 2012, the Metro Council designated the Oregon Convention Center Enhanced Marketing Initiative as a Metro Council Project and directed staff to complete a Phase I Assessment Scope of Work; and

WHEREAS, on April 13, 2012, representatives of the four jurisdictional partners (Metro, the City of Portland, Multnomah County, and Portland Development Commission) signed a Statement of Principles stating their collective support of continued work on the implementation of the hotel project; and

WHEREAS, on April 26, 2012, the Metro Council directed staff to commence a Phase II Implementation Scope of Work and issue a Request for Proposals for the development of a privately-owned Oregon Convention Center hotel with limited public investment; and

WHEREAS, on September 13, 2012, the Metro Council via Resolution No. 12- 4365, (“For the Purpose of Selecting a Development Team for the Development of the Oregon Convention Center Hotel and Directing Staff to Commence Project Negotiations with Development Team”) directed staff to commence a Phase III Pre-Development Scope of Work and begin Term Sheet negotiations with the Mortenson/Hyatt Development Team (consisting of Mortenson Development, Mortenson Construction, Hyatt Hotels Corporation, ESG Architects, Ankrom Moisan Architects, Piper Jaffray & Co., Jones Lang LaSalle Hotels and Star Terra LLC/Schlesinger Companies); and

WHEREAS, extensive negotiations with the Mortenson/Hyatt Development Team have resulted in a preliminary non-binding business deal term sheet , attached hereto as Exhibit A (OCC Hotel Term Sheet); and

WHEREAS, on August 7, 2013, the Metropolitan Exposition and Recreation Commission reviewed the OCC Hotel Term Sheet and recommended via MERC Resolution 13-20 (“For the Purpose of Approving the Oregon Convention Center Hotel Project Term Sheet with Mortenson Development Inc.”) that the Metro Council pursue a final Development and Financing Agreement in accordance with the terms set forth therein. NOW THEREFORE

BE IT RESOLVED THAT the Metro Council hereby authorizes and directs staff to negotiate Development and Financing Agreement with the Mortenson/Hyatt Development Team, using the attached OCC Hotel Term Sheet as the framework for such agreement.

ADOPTED by the Metro Council this 15 day of August, 2013.

Tom Hughes, Council President

Approved as to Form:

Alison R. Kean, Metro Attorney

OREGON CONVENTION CENTER HOTEL
DEVELOPMENT AND FINANCING AGREEMENT LETTER OF INTENT

_____, 2013 (the “Effective Date”)

BETWEEN: Metro (“Metro”)
600 NE Grand Avenue
Portland, Oregon 97232

AND: Mortenson Development, Inc. (“Developer”)
M. A. Mortenson Company
700 Meadow Lane North
Minneapolis, MN 55422-4899

In May 2012, Metro issued a Request for Proposals for a development team to build, own and operate a private convention center hotel (the “Hotel”). The Parties understand that the primary purpose for Metro engaging in the Hotel project is to generate additional economic benefit to the region and the State by enhancing the marketability of the Oregon Convention Center.

In September 2012, the Metro Council selected the Mortenson Development, Inc. team to develop the Hotel adjacent to the Oregon Convention Center in Portland, Oregon. In late October 2012, Metro and the Developer (together, the “Parties”) completed predevelopment activities resulting in the Development and Financing Agreement Term Sheet attached as Exhibit A (“Term Sheet”) for review and approval by the Metro Council and Mortenson Development, Inc.

Metro and Developer intend to enter into a Development and Financing Agreement for the development of a privately-owned convention center Hotel, upon terms and conditions satisfactory to the Parties. The intent of the Term Sheet is to set forth the mutual understandings, intentions and approach of the Parties to plan, finance and develop the proposed Hotel to support the economic development mission of the Oregon Convention Center. The Parties anticipate negotiating and executing a formal, binding Development and Financing Agreement incorporating the general terms set forth in the Term Sheet on a date as soon as feasible within the term of the Term Sheet. Once a formal, binding Development and Financing Agreement has been executed, the Parties will have obligations with respect to the development and financing of the Hotel. The Parties desire to complete predevelopment and due diligence activities with the goal of constructing and opening the Hotel in 2016.

The term of the Term Sheet is 6 months from the Effective Date of this Letter of Intent. The Parties may extend the term upon mutual agreement, which shall not be unreasonably withheld provided the Parties are working in good faith and will be able to perform their expected duties and responsibilities under the Development and Financing Agreement, and will notify each other of substantive changes. If at any time either Party determines that it is unable to proceed, such party shall promptly notify the other, who may then elect to discontinue negotiations or proceed under revised terms.

Both Parties understand that this Term Sheet is non-binding and is intended to define the project approach and general business terms for the Development and Financing Agreement negotiation process. Both Parties commit to work in good-faith.

M.A. Mortenson Company

Tom Lander, Vice President and General Manager

Metro

Martha Bennett, Metro Chief Operating Officer

**EXHIBIT A
OREGON CONVENTION CENTER HOTEL**

DEVELOPMENT AND FINANCING AGREEMENT TERM SHEET

This Development and Financing Agreement Term Sheet summarizes the proposed terms under which Mortenson Development, Inc. (“Developer”) and Metro (“Metro”) intend to plan, finance and develop a privately owned Convention Center Hotel (the “Hotel”) to be owned and operated by Hyatt Hotel Corporation (“Manager”).

DESCRIPTION OF DEVELOPMENT TEAM	
Developer	Mortenson Development, Inc. will serve as the project developer, assuming all responsibility for the design, entitlement, financing and construction of the Hotel. The Developer is expected to enter into a Development and Financing Agreement with Metro.
Owner	<p>The initial project owner is expected to be a special purpose entity (SPE) to be created for purposes of this project. The Developer will act as managing member or managing partner of the SPE. The SPE will assume the Developer’s outstanding rights and responsibilities of the Development and Financing Agreement with Metro.</p> <p>Upon completion of construction, the SPE will be sold to Hyatt Hotels Corporation which shall cause the Hotel to be operated under the Hyatt Regency brand. A subsequent sale of the Hotel by Hyatt Hotels Corporation shall be encumbered with a Hyatt Regency franchise agreement or management contract, or shall be caused to be re-flagged an upper-upscale hotel brand of similar quality to Hyatt Regency. Owner shall notify Metro of a proposed sale and/or change in the Hotel flag. Metro will approve any change in Hotel flag as a condition to the change, with such approval not unreasonably withheld.</p>
Manager	Hyatt Hotels Corporation will manage and operate the Hotel.
Contractor	Mortenson Construction will serve as the general contractor for the project.
Design/Build	The Hotel will be built under a design/build approach, with Mortenson Construction providing cost and completion guarantees.
Architect	Elness Swenson Graham Architects will serve as the lead design firm, with Ankrom Moisan Associated Architects as the local design partner.

Other Consultants	<p>Piper Jaffray & Co. –finance investment banking</p> <p>Jones Lang LaSalle Hotels – market and feasibility studies</p>
Public Partners	<p>Metro, as owner of the Oregon Convention Center, is the lead public participant in the project.</p> <p>Three other public organizations will be required to take actions to facilitate the Hotel:</p> <ul style="list-style-type: none"> (a) Portland Development Commission (PDC) (b) City of Portland (c) Multnomah County
PROJECT DESCRIPTION	
Hotel Location	<p>The Developer prefers the Hotel be developed on portions of Block 47 and 48, Holladay’s Addition, Portland, as depicted in <u>Attachment A</u>. The property is currently owned by (or under the control of) StarTerra, LLC and is expected to be sold to the SPE at closing. The site is 1.85 acres and provides excellent proximity to the Oregon Convention Center and Light Rail along NE Holladay Street.</p> <p>PDC owns a 15,000 square foot parcel on Block 47, Holladay’s Addition, Portland, as depicted in Attachment C. This parcel is adjacent to the StarTerra site and will be considered as part of the Hotel design phase.</p> <p>An alternative site available for Hotel development is PDC’s property known as Block 43 and 26, Holladay’s Addition, Portland, as depicted in Attachment B.</p> <p>Mortenson shall coordinate with PDC on planning efforts for the adjacent, 15,000 square foot parcel on Block 47 currently owned by PDC.</p>
Hotel Description	<p>The Hotel will serve as the flagship convention hotel serving the Oregon Convention Center due to its size and proximity. The Hotel is currently expected to consist of the following facilities and amenities: (1) 600 rentable guest rooms; (2) 35,000 square feet of meeting and ballroom space; (3) a three meal upscale restaurant; (4) a lobby bar; (5) a coffee bar; (6) an indoor pool and whirlpool; (7) an exercise room; (8) a business center; (9) a gift shop; and (10) other additional facilities and amenities agreed upon by the parties, consistent with the high quality</p>

	Hyatt Regency brand.
Hotel Name	For purposes of this Term Sheet and subsequent negotiations, the Hotel will be referred to as the “Convention Center Hotel.”
Parking Management	Structured parking shall be provided for the Hotel either under the Hotel or on Block 49 and shall be managed by StarTerra, LLC.
Operating Standards	The Hotel will be built and operated in conformance with the design, construction and operating standards for the Hyatt Regency brand, in place as of the effective date of the Development and Financing Agreement, and as approved by Hyatt Hotels Corporation.
LEED [Silver] Standards	The parties desire the Hotel to be certified LEED Silver or higher for New Construction by U.S. Green Building Council. Developer intends to construct the Hotel in a manner that would qualify it as LEED Silver or higher.
Operating Agreement with Manager	The Owner will enter into an Operating Agreement with Hyatt Hotels Corporation, with the expectation that Hyatt will operate and manage the Hotel.
UNION LABOR	
Construction	As a union signatory contractor, Mortenson routinely builds its projects utilizing union subcontractors and with union labor. Mortenson fully intends to do so for the Hotel project.
Operations	Hyatt Hotels Corporation, has entered into a labor peace agreement with Unite Here, Local 9, dated October 31, 2012.
NON-BINDING COMMITMENTS AND ROLES OF THE PARTIES	
Development	<p>Developer will serve as project developer and Mortenson Construction will be the construction contractor. Developer will:</p> <p>(a) Manage the predevelopment and construction process, including design/build, financing, permitting and construction management of the Hotel.</p> <p>(b) Provide a guarantee for construction costs and completion to facilitate project financing.</p> <p>(c) Serve as the lead entity in negotiations with the public participants, participating in joint team meetings, negotiating meetings and public</p>

	<p>meetings upon request.</p> <p>(d) Ensure that the project complies with terms and provisions conditions of the Development and Financing Agreements.</p> <p>(e) Provide Metro with copies of design product, budgets, statement of sources and uses of funds, financing commitments, operating pro formas, and other relevant information as mutually agreed upon throughout the Hotel project process.</p>
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<p>Hotel Ownership and Operations</p>	<p>Hyatt Hotels Corporation expects to:</p> <ul style="list-style-type: none"> (a) Participate in the predevelopment process and provide project management oversight to ensure that the project is designed, constructed and equipped to meet the Hyatt Regency brand; (b) Negotiate and enter into a Room Block Agreement with Metro; (c) Acquire the Hotel from SPE upon completion of construction and issuance of a Certificate of Completion by the City; (d) Manage and operate the Hotel to the standards of a Hyatt Regency product upon completion of construction under contract with the ownership entity.
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<p>Public Parties</p>	<p>Metro expects to:</p> <ul style="list-style-type: none"> (a) Serve as the lead public participant and public oversight agent through completion of the Hotel with any ongoing involvement to be addressed in the Room Block Agreement; (b) Coordinate necessary approvals for funding from PDC, City and Council. Negotiate and enter into development and financing agreements, including intergovernmental agreements, Visitor Development Initiative amendments, etc. (c) Negotiate and enter into a Room Block Agreement with Hyatt Hotels Corporation to address required convention room block needs and concerns regarding potential room rate impacts on the market. (d) Negotiate and prepare appropriate intergovernmental agreements to implement the project, including transient lodging tax (TLT) related agreements.
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	<p>PDC’s expected participation includes:</p> <ul style="list-style-type: none"> (a) Involvement in the project pre-development process, providing technical assistance as requested. (b) Providing direct financing as described below and potentially selling property for the project, either on Block 46 or Blocks 43/26 as indicated in <u>Attachment B</u> or a portion of Block 47, shown in <u>Attachment C</u>.
CAPITAL STRUCTURE	
Private Financing	<p>Construction Period:</p> <p>Mortenson Development, Inc. will structure approximately \$119.5 million in private investment through a combination of private equity and private debt accessed through institutional financing sources such as money center banks or life insurance companies.</p> <p>Post Construction:</p> <p>Hyatt Hotels Corporation will deliver a forward take-out commitment to purchase the Hotel upon completion.</p>
Public Financing	<p>Metro will:</p> <ul style="list-style-type: none"> (a) Provide direct financing available for use in the construction of the Hotel in the form of a performance grant for an amount up to \$4 million, contingent upon negotiation of the Development and Financing Agreement. (b) Amend the Visitor Facilities Trust Account (VFTA) Intergovernmental Agreement, upon approval from the City of Portland and Multnomah County and Metro Council, to create a funding mechanism within the VFTA to support the issuance of revenue bonds for the Hotel, based on the equivalent of 11.5% of the site-specific transient lodging tax (TLT) expected to be generated by the operations of the Hyatt Regency Hotel. (c) Issue, or cause to be issued, a revenue bond in the approximate amount of \$60 million (“Metro Revenue Bond”) supported by the revenue stream generated from TLT through the Visitor Facilities Trust Account, with proceeds utilized for the construction of the Hotel.

	<p>Metro expects that PDC’s participation includes:</p> <p>(a) Direct financing in the form of a loan in an amount up to \$4 million, contingent upon budget authority and Board approval of appropriate financing agreements.</p> <p>Metro has received confirmation that the State’s participation will be:</p> <p>(a) Direct financing in the form of a grant in an amount of \$10 million, contingent upon Board approval of appropriate financing agreements.</p> <p><i>Note: Public and private financing terms are subject to further negotiation consistent with the intent of this Term Sheet based on the details of the overall financing plan for the Hotel and PDC’s terms for its financial participation, and are subject to review and approval by the appropriate public bodies.</i></p>																					
Project Budget	The project is anticipated to have a total budget, inclusive of all hard and soft costs of \$197.5 million. See <u>Attachment D</u> for a detailed, preliminary project budget.																					
Financing Sources Summary	See <u>Attachment E</u> .																					
SCHEDULE																						
<p>Project Schedule</p> <p><i>The Project Schedule is based on the assumption that Metro, City and County shall have approved amendments to the Visitor Facilities Intergovernmental Agreement (VFIGA) by September 30, 2013</i></p>	<table border="0"> <thead> <tr> <th>Pre-Development Phase:</th> <th>Start</th> <th>Finish</th> </tr> </thead> <tbody> <tr> <td>(a) Financing Plan</td> <td>June 1, 2013</td> <td>July 30, 2013</td> </tr> <tr> <td>(b) Amendments to VFIGA Approved</td> <td>August 15, 2013</td> <td>September 30, 2013</td> </tr> <tr> <td>(c) Development Agreements and Iterative Design</td> <td>October 1, 2013</td> <td>July 1, 2014</td> </tr> <tr> <td>(d) Entitlements and Permitting</td> <td>October 1, 2013</td> <td>July 1, 2014</td> </tr> <tr> <td>(e) Closing</td> <td></td> <td>September 1, 2014</td> </tr> <tr> <td>Construction Phase:</td> <td>September 1, 2014</td> <td>September 1, 2016</td> </tr> </tbody> </table>	Pre-Development Phase:	Start	Finish	(a) Financing Plan	June 1, 2013	July 30, 2013	(b) Amendments to VFIGA Approved	August 15, 2013	September 30, 2013	(c) Development Agreements and Iterative Design	October 1, 2013	July 1, 2014	(d) Entitlements and Permitting	October 1, 2013	July 1, 2014	(e) Closing		September 1, 2014	Construction Phase:	September 1, 2014	September 1, 2016
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Project Schedule (cont.)	Hotel Opening: September 1, 2016
Performance Goal	The Parties commit to work diligently to achieve the project schedule, with a goal of Hotel Opening in 2016.
MISCELLANEOUS	
Room Block Agreement	As a condition to Metro issuance of the Metro Revenue Bond, Metro and Owner/Hyatt Hotel Corporation shall have executed a Room Block Agreement to be negotiated among such parties which addresses and defines the terms required by Metro and Owner relating to city-wide events, event room blocks of 500 rooms and a mutually agreed upon timeframe, and event block rates, as applicable.
Business and Work Force Equity - ESB/MBE/WBE Programs	Developer will ensure that the development, design, and construction of the Hotel comply with PDC's priorities for Emerging, Minority, and Women-Owned Businesses as set forth in RFP 13-2115 and as available at www.pdc.us .
Prevailing Wages and other Labor Requirements	Developer will ensure that all contractors, subcontractors and consultants fully comply with the State of Oregon's BOLI statutes and regulations and any other applicable regulations.
First Opportunity Target Area Hiring	Owner will use its best efforts to comply with Metro's First Opportunity Target Area Hiring policy and as available at www.oregonmetro.gov .
Public Records	As allowed under Oregon law, Metro intends to use best efforts to maintain confidential documents related to the Hotel development proposal throughout the negotiation process. Upon completion of negotiations and during the final public approval process (at which time the Metro Council would approve issuing an intent to award a contract to Developer), Metro expects to make general project documents, not otherwise exempt from disclosure under Oregon law, available for public review.
Exclusivity	Metro and Mortenson anticipate to negotiate exclusively throughout the term of this Term Sheet.
Contacts	The appropriate representatives and addresses may be used throughout the negotiation process: M.A. Mortenson Company Tom Lander, Vice President and General Manager Nate Gundrum, Senior Development Manager 700 Meadow Lane North

	<p>Minneapolis, MN 55422-4899</p> <p>Metro Attention: Teri Dresler, Visitor Venue General Manager Attention: Cheryl Twete, Senior Development Advisor 600 NE Grand Avenue Portland, Oregon 97232</p>
<p>List of Attachments</p>	<p>A – Developer’s Preferred Hotel Site Location</p> <p>B – PDC-owned Site Available for Hotel</p> <p>C – PDC-owned Site Adjacent to StarTerra Property</p> <p>D – Preliminary Total Project Budget</p> <p>E – Financing Sources</p>

* * * * *

ATTACHMENT A

DEVELOPER'S PREFERRED HOTEL SITE LOCATION



ATTACHMENT B

PDC-OWNED SITE AVAILABLE FOR HOTEL



ATTACHMENT C

PDC-OWNED SITE ADJACENT TO STARTERRA PROPERTY



ATTACHMENT D

PRELIMINARY TOTAL PROJECT BUDGET

Uses of Funds		
Land	\$ 7,300,000	Land acquisition, etc.
Construction	\$ 125,000,000	Foundations, structure, enclosure, building systems, finishes, site work, utilities, etc.
FF&E/OS&E	\$ 25,200,000	Furniture, fixtures, operating supplies, food service equipment, technology, etc.
Development	\$ 30,600,000	Environmental site assessment, geotechnical investigation, consulting, survey, legal, sanitary sewer impact fee, storm sewer impact fee, transportation impact fee, park and recreation impact fee, water bureau impact fee, school impact fee, development fee, building permit/plan review fee, project contingency, pre-opening expenses, etc.
Financing	\$ 9,400,000	Construction period interest, loan origination, closing costs, title, disbursement, inspection, etc.
Total	\$ 197,500,000	

ATTACHMENT E
FINANCING SOURCES

Sources of Funds		
Private Investment	\$	119,500,000
Metro Revenue Bond	\$	60,000,000
State Grant	\$	10,000,000
Metro Grant	\$	4,000,000
PDC Loan	\$	4,000,000
Total	\$	197,500,000

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 13-4452, FOR THE PURPOSE OF APPROVING THE AMENDED AND RESTATED VISITOR FACILITIES INTERGOVERNMENTAL AGREEMENT AND RESOLUTION NO. 13-4453, FOR THE PURPOSE OF APPROVING THE OREGON CONVENTION CENTER HOTEL PROJECT TERM SHEET

Date: August 15, 2013
Prepared by: Cheryl Twete

BACKGROUND

In October of 2011, the Metropolitan Exposition Recreation Commission (MERC) and the Oregon Convention Center (OCC) Advisory Committee requested that Metro Council consider developing a convention center hotel, citing ongoing concerns that the lack of an adjacent convention center hotel continues to be a primary reason the OCC increasingly loses national convention market share to its competitors.

On January 17, 2012, Council convened a joint work session with MERC in which a presentation of the OCC's fiscal year 2010-11 economic impacts concluded that the lack of an adjacent convention center hotel was a significant challenge to the facility's ability to maintain its national convention market share. The two bodies agreed that, as stewards of the public facility, measures to maximize regional economic impact by solidifying its national convention business should be identified and implemented by staff.

On January 26, 2012, Council approved Resolution 12-4327, which directed staff to proceed with an Oregon Convention Center Enhanced Marketing Initiative work program, including Phase I Assessment of pursuing a privately owned, financed, constructed and operated hotel adjacent to the convention center to serve national convention clients, and report back to Council by April 30, 2012.

On April 26, 2012, Council was briefed by staff on Phase I Assessment conclusions which outlined the following completed assignments:

- Documented hotel room block deficiency surrounding the OCC
- Defined desired convention center hotel program
- Convened jurisdictional partners to work together to enhance the regional economic impact of the OCC by increasing the number of national conventions at OCC
- Executed a Statement of Principles – a joint declaration of the public goals for the OCC Hotel project

The Statement of Principles, executed by Multnomah County Chair Jeff Cogen, then Portland Mayor Sam Adams, Portland Development Commission (PDC) Executive Director Patrick Quinton and Metro President Tom Hughes, reflected a common Staff Report, Resolution No. 13-4452 and 13-4453

understanding of 1) the OCC's fundamental competitive disadvantage with other comparable-sized facilities and 2) the regional and statewide economic benefits of OCC. It also recognized that public investment would likely be necessary to achieve a convention-quality hotel of the type and scale necessary to "move the needle" in terms of driving additional national convention business to the OCC.

Based on the satisfactory completion of Phase I Assessment, at its April 26, 2012, meeting, Council approved Resolution 12-4346 and authorized implementation of Phase II, directing staff to issue a Request for Proposals (RFP) for the development of an Oregon Convention Center (OCC) Hotel consistent with the goals and public resources identified in the Statement of Principles.

On April 30, 2012, the Portland Development Commission approved Resolution #6942 endorsing Metro's RFP process and authorizing the Executive Director to enter into negotiations with the selected developer, should a feasible development team be selected as a result.

The RFP was issued on May 11, 2012, seeking a private development team to build a privately owned and operated 4-star convention hotel adjacent to the convention center and including a 500-room room block, among other City and Metro construction and operational requirements. Two proposals were received and a public/private RFP evaluation team was convened to carefully assess and forward recommendations to the Council.

On September 13, 2012, staff returned to the Council with recommendations for development team selection and Council adopted Resolution 12-4365, selecting Mortenson Development Company/Hyatt Hotels (Mortenson/Hyatt) as the development team and authorizing staff to begin predevelopment negotiations (Phase III of the project) following the successful completion of a Labor Peace Agreement between Hyatt Hotels and UNITE HERE labor union. Upon confirmation that such agreement had been reached between the two parties, Metro commenced predevelopment negotiations with Mortenson/Hyatt on October 31, 2012.

In the ensuing months, staff worked with the development team on a financing model with the goal of limiting public investment and risk and an OCC Hotel Term Sheet detailing the essential elements of the project.

On December 4, 2012, Council received a briefing on the status of the predevelopment negotiations and the public bonding tools under consideration to assist in financing construction of the hotel.

Since that time, additional tools and models were explored and developed for Council consideration. Finance and legal staff at Metro, Multnomah County and the City of Portland have also been working on a parallel track creating a set of amendments to the existing Visitor Facilities Trust Fund Intergovernmental Agreement (VF IGA) to facilitate the use of site-specific transient lodging taxes to support the costs associated

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with construction of the hotel. A summary of both efforts, including the draft OCC Hotel Term Sheet, was presented at a joint Council/MERC work session on July 9, 2013.

Since the July 9, 2013, work session, several key milestones have been accomplished. A public open house was held on August 1, 2013, and, on August 7, 2013, MERC approved Resolution 13-19 expressing support for amendments proposed to the VF IGA and Resolution 13-20, the proposed OCC Hotel Term Sheet. On August 8, 2013, Council held a public hearing on the OCC Hotel project. More information on the outcomes of these meetings will be provided at the August 15, 2013, Council meeting.

Action Items Before Council

The Council is being asked to consider and act upon two items:

Resolution 13-4452 which approves the Visitor Facilities Intergovernmental Agreement

Resolution 13-4453 which approves the OCC Hotel Project Term Sheet with Mortenson Development Company and directs Metro staff to execute a development agreement with Mortenson Development

Visitor Facilities Intergovernmental Agreement (VF IGA)

Since March 2013, staff has actively engaged in negotiations with City and County staff to prepare a thorough set of amendments to the existing Visitor Facilities Intergovernmental Agreement (VF IGA). See Exhibit A to Resolution No. 13-4452 for the amended and restated VF IGA and Attachment 1 Summary of Amended and Restated VF IGA for a summary of the VF IGA.

The VF IGA was originally approved in 2001 by the City of Portland, Multnomah County and Metro. The VF IGA: 1) authorized collection of a 2.5% transient lodging tax (TLT) surcharge and a 2.5% vehicle rental tax surcharge; 2) established the Visitor Facilities Trust Account (VFTA); 3) provided for distribution of the taxes collected to a variety of uses supporting visitor development and tourism facilities and activities; and 4) called for the creation of the Visitor Development Fund Inc. (VDFI). The VDFI Board is a public/private board comprised of elected officials from Metro, the County, and City, along with representatives from the hospitality industry. Its purpose is to direct the use of certain allocations established by the VF IGA.

The proposed VF IGA amendments before Council reflect updated and new priorities and needs of the governments managing the region's visitor facilities and public/private tourism promotion programs. The amendments include provisions to accommodate a future OCC Hotel Project, including redirection of certain site-specific TLT into the overall VFTA, and an allocation of funding to support hotel revenue bond debt service payments to Metro. Other amendments address: 1) additional new or revised priorities intended to support the tourism and hospitality industry; 2) new management approaches

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for annual financial reviews, creation of reserves for on-going allocations and early bond repayment; and 3) the creation of a future strategic plan for the industry and visitor facilities. Staff conducted stress tests to ensure that adequate funding would be available for all of the proposed priorities; even under severe and worst-case economic conditions. It is expected that the City and County will act upon the amendments in September 2013.

Staff believes that the proposed VF IGA amendments represent fair and reasonable updates and revisions for the public and private partners involved in the tourism and convention industry. Metro's priorities in the VF IGA negotiation process were to ensure that: 1) the OCC has long-term and appropriate levels of operating and marketing funding; 2) a viable funding mechanism is created to support Metro's issuance of the OCC Hotel revenue bonds; and 3) efforts on behalf of City and County partners related to the hospitality and tourism industry are supported.

Metro staff and financial advisors, in consultation with City and County financial staff, have also analyzed and defined general OCC Hotel bond underwriting assumptions. The fundamental assumptions employed as part of the VF IGA effort as well as for the OCC Hotel Term Sheet (described below) are that the OCC Hotel bond amount is capped at \$70 million and bond repayment is consistent with the projected OCC Hotel site-specific revenues, debt service coverage ratio of 1.05, with approximately a 30-year term (similar to the OCC Expansion Bonds term). The final interest rates and other terms will be based upon these factors and bond market conditions at the time of issuance. Council will take separate action to authorize the hotel revenue bond which is expected to occur at the same time or immediately following the dates both the City and County consider the VF IGA amendments.

The amendment creates a viable path for the proposed OCC Hotel by enabling the equivalent of 11.5% of the 12.5% visitor-paid, site-specific TLT to be generated by the OCC Hotel to be redirected to the VFTA and used to reimburse Metro for revenue bond debt service payments. The proposal originally submitted by Mortenson/Hyatt was to utilize OCC Hotel site-specific TLT to support private financing of the hotel; however, due to complex state and federal regulations, consultants advise that the most efficient manner to structure the publicly-issued Metro revenue bonds is as proposed in the draft VF IGA.

Staff recommends approval of Resolution 13-4452 authorizing approval and execution of the amended and restated VF IGA. Upon consideration and approval of the VF IGA by Council and City and County partners, the document will be executed and implemented immediately. Without approval and execution of the VF IGA amendments, Metro will not be able to agree to or perform the responsibilities identified in the OCC Hotel Project Term Sheet. The 2013 VF IGA provides important updated funding and management approaches for the tourism and hospitality industry and staff acknowledges the hard work and efforts of the jurisdictional partners.

OCC Hotel Term Sheet

The OCC Hotel Term Sheet represents a preliminary business deal term agreement with Mortenson/Hyatt. It consists of a description of the project and its programming, projected costs and funding sources, project schedule, site and design attributes of the proposed OCC Hotel and roles and responsibilities of the key team members, including the Portland Development Commission. This document, while not legally binding, is a significant milestone for the OCC Hotel project and reflects a joint understanding of how the project will move forward. It builds upon the momentum of the State of Oregon’s recent approval of a \$10 million grant for the project, which demonstrated a strong commitment to and understanding of the importance of the tourism industry in Oregon.

A general description of the project is as follows:

- 600 (approximately) room Hyatt Regency
- 500 room block commitment
- 35,000 square feet of meeting and ballroom facilities
- On-site restaurant/bar facilities and food and beverage catering services
- Quality amenities of the Hyatt Regency brand
- Commitment to public policy priorities – LEED Silver or higher, City of Portland’s Business and Workforce Equity and MWESB policies, and Metro’s First Opportunity Target Area (FOTA) program

The OCC Hotel Term Sheet is included in Exhibit A to Resolution No. 13-4453. If approved by Council, it will serve as the basis for continued negotiations of a full development agreement, room block agreement, revenue bond documentations and other project agreements. Staff expects to return to Council for final development approvals in Fall/Winter 2013.

Obtaining approval of both the VF IGA and the OCC Hotel Term Sheet is necessary for predevelopment planning to proceed. Without VF IGA approvals, Metro would not have the financing tools it requires to commit to issuing revenue bonds. As agreed to in 2012, Metro serves as the lead partner for the OCC Hotel Project and the City and County are not parties to the OCC Hotel Term Sheet. Metro anticipates providing \$4 million of grant funding to the project and is coordinating with the City of Portland Development Commission on its proposed \$4 million of urban renewal financing for the project as well as urban design planning for the site.

The project schedule is another critical element. To take advantage of interest rates and construction costs that remain historically low, Metro and Mortenson Development propose to move forward with the following next steps and decision points:

Staff negotiates development/financing agreement	Fall 2013
Metro Council/PDC final approvals	Winter 2013
Construction begins	Summer 2014
Construction completed	Fall 2016
Hotel Opens	Fall 2016

KNOWN OPPOSITION (TO BE UPDATED)

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At this stage of the potential project, there is a group of local hoteliers who have indicated their opposition to this project, similar to the opposition voiced during the 2007-09 publicly-owned hotel effort. There could be concerns from some members of the public who may question whether public investment in private development projects is appropriate. Staff will report on the outcome of the August 1, 2013, public open house and comments received. During the next several months of the project, Metro will track issues raised by interested stakeholders and address appropriately. An open and transparent public communication and outreach strategy is essential to the success of the project.

LEGAL ANTECEDENTS

Marketing of the OCC is a necessary part of the Metro's charter authority to operate public cultural, trade, conventional and exhibition facilities, Metro Charter Section 6.

BUDGET IMPACTS

Budgeted FY 2013-14 funds are expected to be adequate for the project pre-development and development phases.

Approval by all three jurisdictions of the VF IGA will initiate the amendments which will impact the OCC and Portland Center for the Performing Arts (PCPA) in terms of each venue's rank and priority in the use of VFTA funds. For the OCC, additional requirements will be placed on the annual operational deficit budget request. As stated above, the amendments to the VF IGA have been tested against anticipated performance of the new OCC Hotel and potential future economic downturns, as experienced in the last twelve years. Staff is confident that the amendments and potential implications for the OCC and PCPA funding will not threaten the budgets of those venues.

These resolutions seeks authority to enter into the VF IGA and proceed with further development negotiations, but does not seek authorization of any specific project agreements, nor does it obligate Metro to commit any funding to the project.

ANTICIPATED EFFECTS

Adopting Resolution No. 13-4452 and 13-4453 would authorize Metro to proceed with the Phase III effort for the Oregon Convention Center, in partnership with Multnomah County, City of Portland, Portland Development Commission and MERC. The resolution would authorize Metro staff to negotiate with the development team to prepare all development, room block and funding agreements and present to Metro Council in Fall/Winter 2013 for final approvals.

Staff will provide progress reports to Metro and MERC throughout this next phase.

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RECOMMENDED ACTION

Staff recommends Council approve Resolutions No. 13-4452 and 13-4453.

Attachment 1
Summary of Amended and Restated VF IGA

Proposed Amended Visitor Facilities Intergovernmental Agreement

Background and description of amendments under consideration – August 1, 2013

The Visitor Facilities Intergovernmental Agreement (VF IGA) was originally approved in 2001 by the City of Portland, Multnomah County and Metro to: 1) establish a 2.5% Transient Lodging Tax surcharge and a 2.5% Vehicle Rental Tax surcharge; 2) establish the Visitor Facilities Trust Account (VFTA); 3) allocate and distribute the tax surcharges collected to a variety of uses supporting visitor development and tourism facilities and activities; and 4) create the Visitor Development Fund Inc. (VDFI). The VDFI Board is a public/private board composed of elected officials from Metro, the County, and the City along with representatives from the hospitality industry and directs the use of certain allocations established by the VF IGA.

In March 2013, City of Portland, Multnomah County and Metro staff re-engaged in a process, begun in 2012, to update the 2001 VF IGA. The proposed amendment package, if approved by the City Council, County Board and Metro Council, will be the first amendment to the Agreement in its 12-year history. The main goals of the VF IGA amendments are:

1. To reflect updated and new priorities of the partners and clarify existing intent and priorities.
2. To provide a mechanism to redirect site-specific Transient Lodging Taxes (SSTLTR) collected at the OCC Hotel Project into the VFTA to support the OCC Hotel Project Bonds.
3. To provide a mechanism for debt service payments on revenue bonds which will be issued by Metro to support the development of the OCC Hotel Project.
4. To provide for long-term stability of the VFTA system and its funding priorities by updating revenue and expenditure projections and creating processes for ongoing financial review.
5. To revise the document structure to provide clearer organization and ease of reading.

The proposed amendments include the following:

1. Recitals – provide more history and clarity regarding purpose and intent
2. Restructure organization of document – consolidate language and reduce redundancy to more clearly describe funding priorities and obligations of parties

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3. Create mechanisms to redirect the site-specific City 5% TLT (General Fund), the site-specific 3% Excise Tax Fund TLT, and the equivalent of the site-specific City 1% TLT (Tourism Promotion) into the VFTA.
4. Create mechanism for debt service payments on Metro issued Hotel Project Bonds using equivalent of site-specific Transient Lodging Tax Revenues (SSTLTR) within VFTA, with excess SSTLTRs above debt service payments accruing to the benefit of the VFTA.
5. Revise allocation priorities to reflect 2013 needs and opportunities (see VFTA priorities below).
6. Create process for periodic financial review of VFTA finances by City/County/Metro financial leads including mechanisms for reviewing Hotel Project Bond payment terms, reviewing financial performance of VFTA and providing analysis, as needed, to the VDFI Board.
7. Create reserve requirements to ensure allocations are covered if revenues decline; create a new reserve for early bond redemptions.
8. Agreement to work on a future Visitor Development Strategic Plan.
9. Maintain basic legal provisions regarding dispute resolution, termination and remedies.

Materials following this page were distributed at the meeting.



METRO COUNCIL MEETING

Meeting Summary

August 8, 2013

Metro, Council Chamber

Councilors Present: Council President Tom Hughes, and Shirley Craddick, Sam Chase, Kathryn Harrington, Bob Stacey, Carlotta Collette and Craig Dirksen

Councilors Excused: None

Council President Tom Hughes called the regular council meeting to order at 2 p.m.

1. INTRODUCTIONS

There were none.

2. CITIZEN COMMUNICATIONS

Ron Swaren, 1543 SE Umatilla, Portland: Mr. Swaren addressed the Metro Council on the Southwest Corridor project and the potential to use double-decker buses along the corridor versus light rail. He recommended again that the Council consider contacting Martin Munguia from the Snohomish area to discuss the city's experience with double-decker express bus services. He believed that using express bus service may be more cost effective than light rail, and noted its popularity in many North American cities, such as Toronto and Alberta, Canada. Separately, he stated that while he was unfamiliar with the Oregon Convention Center hotel project, he was generally not in favor of spending public money on projects.

3. CONSENT AGENDA

Motion:	Councilor Shirley Craddick moved to approve the August 8, 2013 consent agenda: <ul style="list-style-type: none">• Consideration of the Council Minutes for August 1, 2013;• Resolution No. 13-4447, For the Purpose of Adopting Rules and Establishing Procedures Relating to the Conduct of Council Business.• Resolution No. 13-4448, For the Purpose Revising Guidelines for Councilor Expense and General Materials and Service Accounts.
Second:	Councilor Bob Stacey seconded the motion.

Vote: Council President Hughes, and Councilor Craddick, Collette, Harrington, Chase, Dirksen, and Stacey voted in support of the motion. The vote was 7 ayes, the motion passed.

4. ORDINANCES – SECOND READ AND QUASI-JUDICIAL HEARING

- 4.1 **Ordinance No. 13-1312**, For the Purpose of Annexing to the Metro District Boundary Approximately 9.85 Acres Located at 17030 NW Brugger Road in the North Bethany Area of Washington County.

Council President Hughes stated that Ordinance No. 13-1312 required a quasi-judicial hearing. As part of the hearing process, councilors were required to declare a conflict of interest, bias or ex parte contact prior to the staff presentation. Councilor Stacey stated that in 2002, following the inclusion of the North Bethany area into the urban growth boundary, he on behalf of his then employer 1000 Friends of Oregon, engaged in extensive negotiations with property owners and developers concerning the area's inclusion. While he learned a great deal during those meetings, Councilor Stacey did not believe any of the prior negotiations regarding the area – for which the property cited in Ordinance No. 13-1312 resides – would affect his ability to vote on this request. No additional councilors declared conflicts of interest, biases or ex parte contacts for Ordinance No. 13-1312.

Metro Attorney Alison R. Kean read the procedural requirements for the quasi-judicial hearing for Ordinance No. 13-1312.

Council President Hughes gaveled and opened a public hearing on the ordinance. He welcomed Mr. Tim O'Brien of Metro for staff's presentation. Mr. O'Brien presented the proposed property, approximately 9.85 acres in the North Bethany area, for annexation into the Metro District Boundary. He stated that the land was included in the urban growth boundary in 2002 and is part of the North Bethany Subarea Plan that the county completed consistent with Metro Title 11. The land must be annexed into the Metro District Boundary for urbanization to proceed. The territory has been annexed into the necessary Washington County service districts and once all of the annexations are complete, building may occur consistent with the approved plan. Mr. O'Brien overviewed how the application satisfies each of the 3 criteria for annexation as outlined in Metro Code, Section 3.09.070E:

1. The affected territory is within the UGB:
The territory was included in the UGB in 2002.
2. The territory is subject to measures that prevent urbanization until it is annexed to a city or service districts that will provide necessary services:
Washington County applied for interim protection measures for the area until annexation to the service districts; and
3. The proposed change is consistent with any applicable or cooperative urban service agreements and any concept plan:
The property proposed for annexation is part of the County's North Bethany Service District and the annexation is consistent with the North Bethany Sub-Area Plan.

Staff recommended Council approve the application and adopted Ordinance No. 13-1312.

Seeing no citizens – either in support or opposition – who wished to testify, the public hearing on the ordinance was closed.

Motion:	Councilor Kathryn Harrington moved to approve Ordinance No. 13-1312.
Second:	Councilor Carlotta Collette seconded the motion.

Vote:	Council President Hughes, and Councilor Craddick, Collette, Harrington, Chase, Dirksen, and Stacey voted in support of the motion. The vote was 7 ayes, the motion <u>passed</u> .
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5. **PUBLIC HEARING ON OREGON CONVENTION CENTER HOTEL PROJECT**

Metro staff Ms. Teri Dresler, with assistance from Ms. Cheryl Twete, provided a brief presentation on the Oregon Convention Center (OCC) hotel project. In January 2012, the Metro Council directed staff to launch the OCC hotel project, recognizing the sizable positive impact the OCC has on the region's economy and need for continued investment in the public facility. The hotel is a joint project by Metro, the City of Portland, and Multnomah County.

Staff's presentation included information on:

- The project's goals such as job creation and jumpstarting the local economy;
- The project's desired outcomes such as building Portland's national convention market;
- The project's completed phases 1 – 3 regarding project engagement, request for proposals; and predevelopment negotiations;
- The project's non-binding term sheet agreement which highlights key project elements such as the hotel brand, size and contracting requirements, as well as the proposed financial breakdown between private and public share investments and construction financing; and
- Proposed amendments to the Visitor Facilities Trust Account which governs how a portion of the transient lodging and vehicle rental taxes collected in Portland are allocated towards tourism-related priorities.

The Council is scheduled to consider and vote on legislation to approve the hotel term sheet on August 15. Additionally, on August 15, the Council is scheduled to consider separate legislation to approve an intergovernmental agreement with project partners on the proposed changes to the visitor facilities account. The City Council and County Commission are scheduled to consider the visitor facilities IGA in September 2013. (Full presentation and hotel factsheet included as part of the meeting record.)

Council President Hughes gaveled and opened a public hearing on the OCC hotel project:

- Judie Hammerstad, Metropolitan Exposition and Recreation Commission (MERC): Chair Hammerstad expressed her support for the OCC hotel project and emphasized its importance to the region. In 2011, the commission requested the Metro Council consider building a hotel adjacent to the OCC, citing missed convention business as reasoning. She emphasized the multiple benefits of the project such as job creation and increases in the convention and local tourism industry. She offered the commission to assist with the public outreach moving forward.

- Harold Pollin, 8235 NE Airport Way, Portland: Mr. Pollin, a local hotel business owner, expressed his support for the project. He stated that when the OCC was developed in the 1980s, it was understood that a key component of the facility's success would be the adjacency of a headquarters hotel. Having participated in the process to develop an OCC hotel for years, Mr. Pollin stated that this project is not a new idea. He stated that the public investment in the OCC is most primary, and that it is important to take steps to protect that investment and to enhance the effectiveness of the facility in the future. He stated that not only will additional convention business benefit other hotels, but local retail and restaurants. Mr. Pollin stated that in the long run the hotel will benefit everybody in the lodging and tourism industries.
- John Mohlis, Oregon Building Trades Council: Mr. Mohlis expressed the Building Trade Council's support for the OCC hotel for three reasons: (1) the amount of jobs the project will create for the construction industry; (2) the economic development impact the project will have in the region and state; and (3) the current low financing costs. He stated that Trade Council's members want to have the opportunity to work, earn wages, pay taxes, support their families and support the local economy.
- Lew Frederick, Oregon House of Representatives: Representative Frederick expressed his support for the hotel project which resides in his district, House District 43. He emphasized that the project would bring good jobs that pay a decent sustainable wage for its union construction and hotel operation workers. He stated that he happily supported the Legislature's vote to allocate \$10 million of the state's lottery funds to the project for the purpose of acquiring, developing, constructing and equipping the hotel. He stated that the project will help to lift up the local community.
- Terry Parker, P.O. Box 13503, Portland: Mr. Parker was not in support for the project. While he believe the project's statements that convention attendees are likely to travel to many regional and state tourism destinations, Mr. Parker stated that Metro's anti-car mind set creates a double standard. He asked a series of questions including what is the overall environmental impact of constructing the hotel, and how many auto trips would be generated by rental cars. He stated that without a direct requirement that convention participants help pay for local transportation infrastructure; local motorists need to be viewed as the first in line to use the Portland area roads. Additionally, Mr. Parker stated that if Metro continued the hotel project, the agency should eliminate the *Drive Less. Save More* campaign targeted at Portland area residents. (Written testimony included as part of the meeting record.)
- Tim Ramis, 2 Center Pointe, Lake Oswego: Mr. Ramis stated that he spoke on behalf of a group of downtown hotel owners who want to see a successful OCC hotel built, but have high standards based on experiences learned from The Nines Hotel project. He restated two previous requests: (1) the project terms include a rate floor, and (2) the exact language of the agreement be provided for review. He stated that there are a number of unanswered questions in the project and requested that there be 60 days between the release of the document and Council's consideration and vote. He asked a series of questions for Council and staff consideration including, but not limited to, under what circumstances would Hyatt be removed as manager, and if the hotel went into bankruptcy would the management contract survive.

- Peter Watts, 13348 Fielding Rd., Lake Oswego: Mr. Watts stated that he represented the same group of property owners as Mr. Ramis. Mr. Watts cited a *Wall Street Journal* article from October 2012 that stated that while exhibit hall space increased over 30 percent between 2000 and 2011 nationally, attendance has decreased by 7 percent. In addition, referencing a 2005 article from *Forbes* magazine, he stated that since the OCC expansion the facility has seen a decline in occupancy from roughly 70 percent to 40 percent. While convention business has improved slightly since the article, Mr. Watts believe the data would make people less likely to expand convention facilities or create new convention hotels. He highlighted other cities that are building or expanding hotel space during the convention business decline, and cautioned that often times the business does not work out.
- Paige Richardson, Coalition for Fair Budget Priorities: Ms. Richardson stated that the coalition includes over 280 local hoteliers and businesses that are supportive of increased conventions in Portland. However, she believed that the current plan favors the hotel developers versus local taxpayers, and emphasized that the public deserves a chance to review and comment on the current proposal. She strongly believed that Metro and partners should not vote to move forward until the financial information is released and the public is assured that it is not accepting all of the project's risk. Ms. Richardson asked a series of questions, including but not limited to, what is the true cost of the public bonds and what is the interest rate used for the financial projections, is there a management or licensing agreement with Hyatt, are there any performance requirements or termination rights, and will Hyatt be required to hold onto the property for the term of the bond repayment or will the business be allowed to sell the hotel after a few years. She stated that project consultants have said the project isn't risky, but questioned if this is the case then why haven't private developers offered to build the hotel in full. She asked for responses to her questions are provided. (Written testimony included as part of the meeting record.)
- Shellea Allen, UNITE HERE, Local 8: Ms. Allen stated that her local chapter of UNITE HERE represented over 1,000 hotel and restaurant employees between Seattle, Washington and Portland. She was in support of the hotel project and stated that it would be huge for UNITE HERE members, providing affordable healthcare and living wage jobs. She stated that Aramark employees at the OCC are also supportive of the project stating it will bring more business to the convention center.
- Shirley Burke, UNITE HERE, Local 9: Ms. Burke was in support of the hotel project and stated that she believed that not only would the new hotel would bring more business to her hotel but would benefit the local community and economy. She stated that she has stayed with her hotel employer for over 26 years because of the good wages, and vacation, healthcare and pension benefits. She state those not in support of the project believe that they will lose business due to the OCC hotel and/or do not want to see the hotel empowered by union workers. She stated that the largest complaint from her customers is that they have to stay out of the Portland city due to lack of available rooms.
- Ben Marston, UNITE HERE and Pride at Work: Mr. Marston stated that both of the groups he represents support the OCC hotel project. He thanked the Metro Council for insisting on a labor peace agreement for the project, and stated that workers want the hotel built. He cited increased convention business, an expanded workforce, and decent-paying jobs as reasoning. He believed that the project should have been built a long time ago, and found it

interesting that the majority of the concerns raised were by private parties who believed they may lose from the project's construction.

- Ron Hebron, 2104 NE 33rd St., Gresham: Mr. Hebron stated, as a retired member of the Brotherhood of Carpenters since 1979, his support for the project. He believed that the Portland area was a unique destination for various reasons, and stated that if the hotel was promoted as supporting a union workforce it would be a good illustration to the county. He stated that he has been a labor advocate for years, and emphasized the importance of having the opportunity to earn fair wages, and receive healthcare and pension benefits.
- Jodi Parker, Columbia Pacific Building Trades: Ms. Parker was in support of the OCC hotel and stated that the goal of the project should be putting people back to work. Moved by Representative Frederick's testimony, she shared a personal story about her past employment as a non-represented hotel employee. While the past cannot be changed, Ms. Parker emphasized the opportunities building trade members and the service industries receive from union representation.
- Bob Tackett, NW Oregon Labor Council: Mr. Tackett, on behalf of the Labor Council's 50,000 union members, expressed his support for the project. He stated that several years ago he toured the OCC with a potential national client. He stated the client declined to host the convention in Portland due to the lack of sufficient unionized hotels. He emphasized that the convention could have brought thousands of people to the area and the OCC would have had a better chance if it had had the hotel.
- Ben Bason, Pacific Northwest Regional Council of Carpenters: Mr. Bason expressed the Council of Carpenters support for the hotel and stated not only would the project create hundreds of much needed construction jobs with good wages and benefits, but also create jobs for hotel workers. He emphasized that convention attendees will get out and visit other locations in the region and state. He stated that conventions will continue, but in other cities such as San Francisco or Seattle if the hotel is not built.
- Jeff Miller, Travel Portland: Mr. Miller expressed his support for the project. He referenced an online article which quotes the U.S. Bureau of Labor and Statistics stating that conventions and events are expected to expand by over 40 percent between 2010 and 2020; significantly above the average projected growth of other industries. He stated that Travel Portland's board has allocated an additional \$1 million to attract conventions and meeting business to Portland in the next year. He stated that customers are waiting to come to Portland. He stated that the proposed changes to the visitor facilities account would bring additional savings that can be used to bring conventions to Portland. He stated that the project is a good deal for Portland.
- Gale Castillo, Hispanic Chamber: Ms. Castillo expressed the Chamber's support for the project, stating that the hotel would leverage private development with low-cost financing to create jobs, boost the state's tourism industry, and enhance the region's economy. Ms. Castillo stated that Latinos are highly represented in both the construction and hospitality industries and therefore this project is very important for her community. She stated that she tried to recruit the Hispanic Chamber of Commerce, headquartered in Washington, DC, for its national convention but failed due to the lack of a hotel adjacent to the OCC. She urged the Metro Council and partners to support the project and stated that the hotel will

protect past investments while improving the livability of the city and creating good jobs now and into the future. (Written testimony included as part of the meeting record.)

- Raihana Ansary, Portland Business Alliance: Ms. Ansary expressed the Alliance's support for the project under the following conditions: (1) the project must be able to sustain its debt load and operating costs with revenues generated by the hotel, including the taxes and fees dedicated to the project; (2) the Visitor Development Initiative Funds should be used to back stop the hotel's operation costs only in times of severe economic stress and only for a limited period of time; and (3) Metro and partners should commit that under no circumstances impose new taxes, fees or surcharges on others in the hotel industry to support the project. She stated that once opened the hotel is anticipated to bring 5 to 10 new conventions per year, adding approximately \$120 million in regional spending each year. Ms. Ansary stated that an OCC hotel that meets the above conditions is a smart investment and urged Council support. (Written testimony included as part of the meeting record.)
- Paul Raynon, 2300 SE 82nd Ave., #4, Portland: Mr. Raynon, who has worked in the hospitality industry for 15 years, expressed his support for the project. He stated that the projected increase in conventions will increase business at local hotels across the river, including his employer the Benson Hotel. He stated that conventions at the OCC will directly benefit him and others in the hospitality industry.
- Michael Birch, Pacific Northwest Regional Council of Carpenters: Mr. Birch also expressed the Council of Carpenters support for the project. He stated that the Council had been working on a campaign in support of the Columbia River Crossing project. However, with stop to the project, the group has refocused on the OCC hotel. He stated that the trade members are trained, well educated and are ready to work. He also noted the positive impact the project will have on his neighborhood.
- Gwenn Baldwin, Lloyd Executive Partnership: Ms. Baldwin expressed the Lloyd Executive Partnership's support for the project. She stated that the Partnership, which represents some of the largest property owners in the Lloyd District, has held this project as one of its top priorities. She stated that the hotel was always intended to be part of the package of a thriving, working convention system. She stated that not only does the project bring jobs, it is also a privately-owned and operated hotel where the investment of public funds is minimal, and that the risk is to the visitors through Transient Lodging Tax, not taxpayers. She stated that the project should move forward for the state and expressed her appreciation for Metro's focused attention on the project.
- Ron Jay: Mr. Jay expressed his support for the project, and specifically a union hotel. He stated that the proposal is good for the community and if built, the convention business will increase. He stated that other cities, such as Spokane and Boston, understand that the convention market is increasing. He applauded Hyatt for supporting the union hotel. He emphasized that now is the time for strong leadership, and stated that on his upcoming trip to Washington, DC he wants to be able to tell meeting planners that Portland will have at least a 600 room hotel.

Additional written testimony provided included Fred Schwartz on behalf of Asian American Hotel Owners Association, Alix Nathan of The Mark Spencer Hotel, and Mr. J. Clayton Hering

of the Norris, Beggs & Simpson. Council President Hughes read Mr. Hering's testimony into the record in his absence. Copies of all three letters are included as part of the meeting record.

Ms. Dresler stated that staff recorded all of the questions raised during the public hearing and will provide Council responses to the questions as soon as possible. In addition, staff has time scheduled with each councilor to respond to and/or provide additional information on comments raised during the hearing. Councilors requested the responses be provided in writing.

Council Discussion

Councilors thanked Multnomah County Commissioner Loretta Smith for her attendance and Representative Frederick and attendees for their thoughtful testimony. Councilors asked clarifying about the assumptions use to create the worst-case scenario for the project. Mr. Ken Rust, financial consultant, stated that the risks associated with a dramatic shock event, such as Sept. 11, coupled with a prolonged economic recession, such as what the state is currently experiencing, probably capture the worst case scenario likely to be present over the term of the project's projections. Councilors recommended that Mr. Rust and staff provide a brief summary of the worst-case scenario analysis at the August 15 meeting prior to Council consideration.

Councilors asked staff to provide additional information on: (1) the loan forgiveness issue and if the OCC hotel could experience the same situation are the Nines Hotel; (2) what might be an extraordinary event that could cause the project to lose the private, high quality hotel, owner; (3) what does or doesn't a parking garage add to the cost of the hotel; and (4) what is the benefit to each of the private sector parties involved.

Seeing no additional members of the public who wished to testify, Council President Hughes closed the public hearing.

6. CHIEF OPERATING OFFICER COMMUNICATION

Ms. Martha Bennett provided an update on:

- The algae bloom at Blue Lake Park has clear up, however Metro will wait for the final test results and formal approval from the Oregon Health Authority prior to reopening the park.

7. COUNCILOR COMMUNICATION

Councilors provided updates on a recent tour of the 4th and Main Transit Oriented Development project in Hillsboro. Highlighted upcoming meetings included the August 12 Local Officials Advisory Committee meeting, an advisory committee to the Land Conservation and Development Commission.

Councilors requested a work session with Metro staff to discuss ODOT's newly proposed alternative to the I-5 Replacement Bridge project, and to provide direction to staff should the Governor call a special legislative session this fall.

Additionally, councilors requested information on the cost efficiency of the Metro district boundary annexation process, and specifically how much it costs the property applicant to apply and Metro staff to process the request and bring forward for Council consideration.

8. ADJOURN

There being no further business, Council President Hughes adjourned the regular meeting at 4 p.m. The Metro Council will convene the next regular council meeting on Thursday, August 15 at 2 p.m. at Metro's Council Chamber.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "K. Newell".

Kelsey Newell, Regional Engagement & Legislative Coordinator

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF AUGUST 8, 2013

Item	Topic	Doc. Date	Document Description	Doc. Number
	Agenda	8/8/13	Revised August 8 Council Agenda	80813c-01
3.1	Minutes	8/1/13	Council minutes for August 1, 2013	80813c-02
3.2	Legislation	8/5/13	Revised exhibits to Resolution No. 13-4447	80813c-03
3.3	Legislation	8/5/13	Revised Exhibit A to Resolution No. 13-4448	80813c-04
5.1	PowerPoint	8/8/13	Oregon Convention Center Hotel: Metro Council Public Hearing	80813c-05
5.1	Handout	7/16/13	Fact sheet on OCC hotel project	80813c-06
5.1.1	Testimony	8/8/13	Written testimony distributed by T. Parker	80813c-07
5.1.1	Testimony	N/A	Written testimony distributed by P. Richardson on Behalf of Coalition for Fair Budget Priorities	80813c-08
5.1.1	Testimony	N/A	Written testimony distributed by F. Schwartz on Behalf of Asian American Hotel Owners Assoc.	80813c-09
5.1.1	Testimony	8/8/13	Written testimony distributed by A. Nathan on Behalf of The Mark Spencer Hotel	80813c-10
5.1.1	Testimony	8/8/13	Written testimony distributed by C. Castillo on Behalf of the Hispanic Metropolitan Chamber	80813c-11
5.1.1	Testimony	8/8/13	Written testimony distributed by R. Ansary on Behalf of Portland Business Alliance	80813c-12
5.1.1	Testimony	8/8/13	Written testimony distributed by J. Hering on Behalf of Norris, Beggs& Simpson Companies	80813c-13



**Community Planning &
Development Grants:
COO Recommendations and
Program Impact**

**Metro COO, Martha Bennett
August 15, 2013**



Metro | *Making a great place*

A decorative graphic at the bottom of the slide, consisting of several overlapping, semi-transparent green rectangular shapes that create a layered, textured effect. The colors range from light green to a slightly darker shade of green.



GREETINGS & BACKGROUND

Grant Cycle 3 Estimates

- October 2012 \$3.7 Million
- July 2013 \$4.0 Million
- August 2013 \$4.3 Million

- Collected and Available June 30, 2013:
\$2.8 Million
- Projected Collections Through Sept 2014:
\$1.5 Million

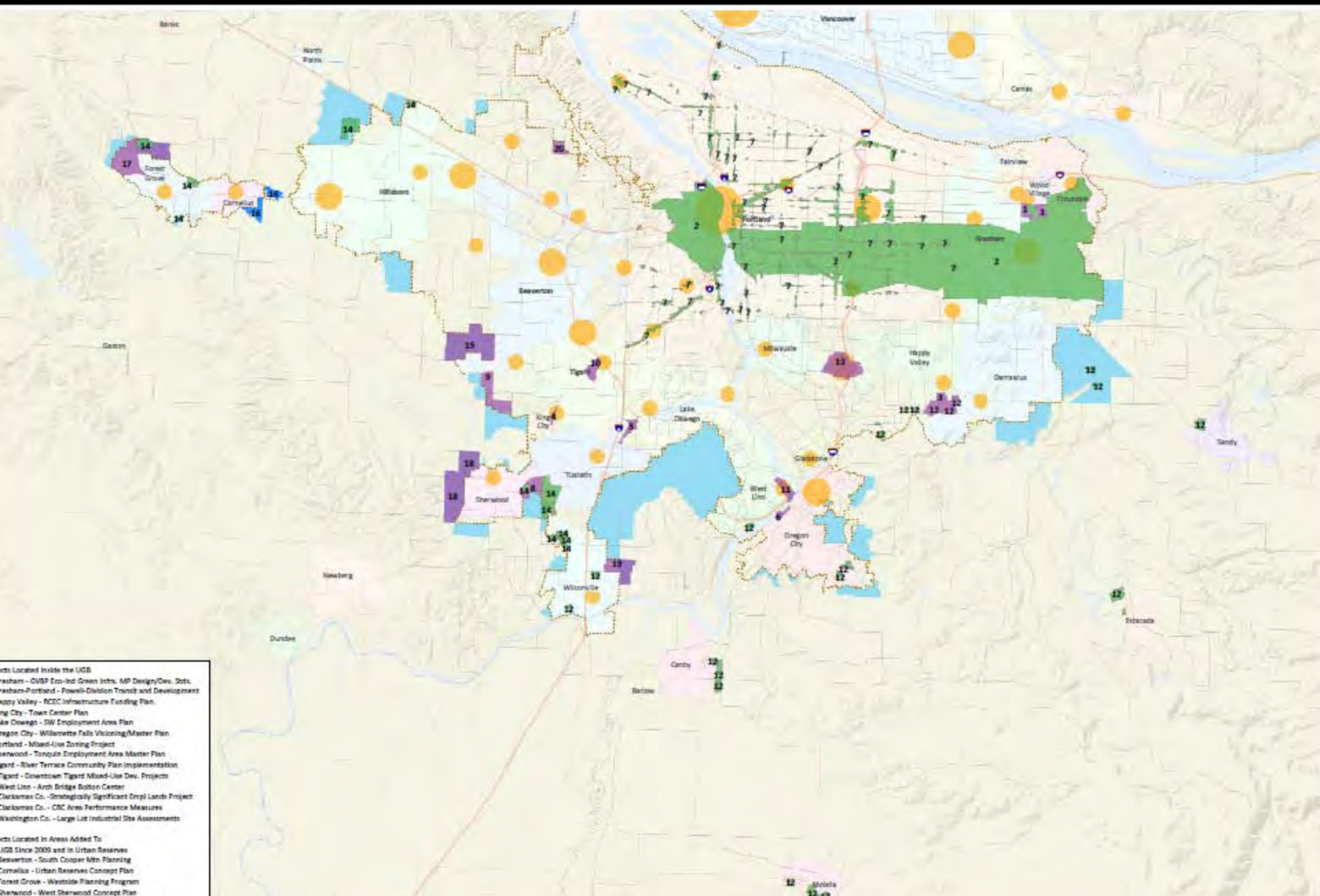
- Single Location
- Multiple Locations
- Corridors or Many Locations

- County Boundary
- Urban Growth Boundary
- City Boundary



- Projects Located Inside the UGB**
- Beaverton - GVSF Eco-Ind Green Infra. MP Design/Dev. Stds.
 - Beaverton-Portland - Powell Division Transit and Development
 - Clatsop Valley - RCCC Infrastructure Funding Plan
 - Clatsop County - Town Center Plan
 - Clatsop County - SW Employment Area Plan
 - Clatsop County - Willamette Falls Visioning/Master Plan
 - Clatsop County - Mixed-Use Zoning Project
 - Clatsop County - Tonquin Employment Area Master Plan
 - Clatsop County - River Terrace Community Plan Implementation
 - Clatsop County - Downtown Tigard Mixed-Use Dev. Projects
 - Clatsop County - Arch Bridge Station Center
 - Clatsop County - Strategically Significant Orpl Lands Project
 - Clatsop County - CBC Area Performance Measures
 - Clatsop County - Large Lot Industrial Site Assessments

- Projects Located in Areas Added To UGB Since 2000 and in Urban Reserves**
- Beaverton - South Cooper Mtn Planning
 - Clatsop County - Urban Reserves Concept Plan
 - Forest Grove - Westside Planning Program
 - Sherwood - West Sherwood Concept Plan
 - Wilsonville - Frog Pond/Advanced Road Concept Planning
 - Washington Co. - Concept Plan/Outline of Area 93



MY RECOMMENDATIONS

Projects for Full funding (Outside the UGB) = 6

City/County	Project Name	Amount Requested	Funding Recommendation
Beaverton	South Cooper Mtn. Concept & Community Plan	\$469,397	\$469,397
Cornelius	Urban Reserves Concept Plan	\$73,000	\$73,000
Forest Grove	Forest Grove Westside Planning Program	123,000	123,000
Sherwood	West Sherwood Concept Plan	221,139	221,139
Wilsonville	Frog Pond / Advance Road Concept Plan	341,000	341,000
Washington Co. (County Rank #1)	Concept Planning of Area 93	122,605	122,605
Sub-Total (Full Funding Outside the UGB)		\$1,350,141	\$1,350,141

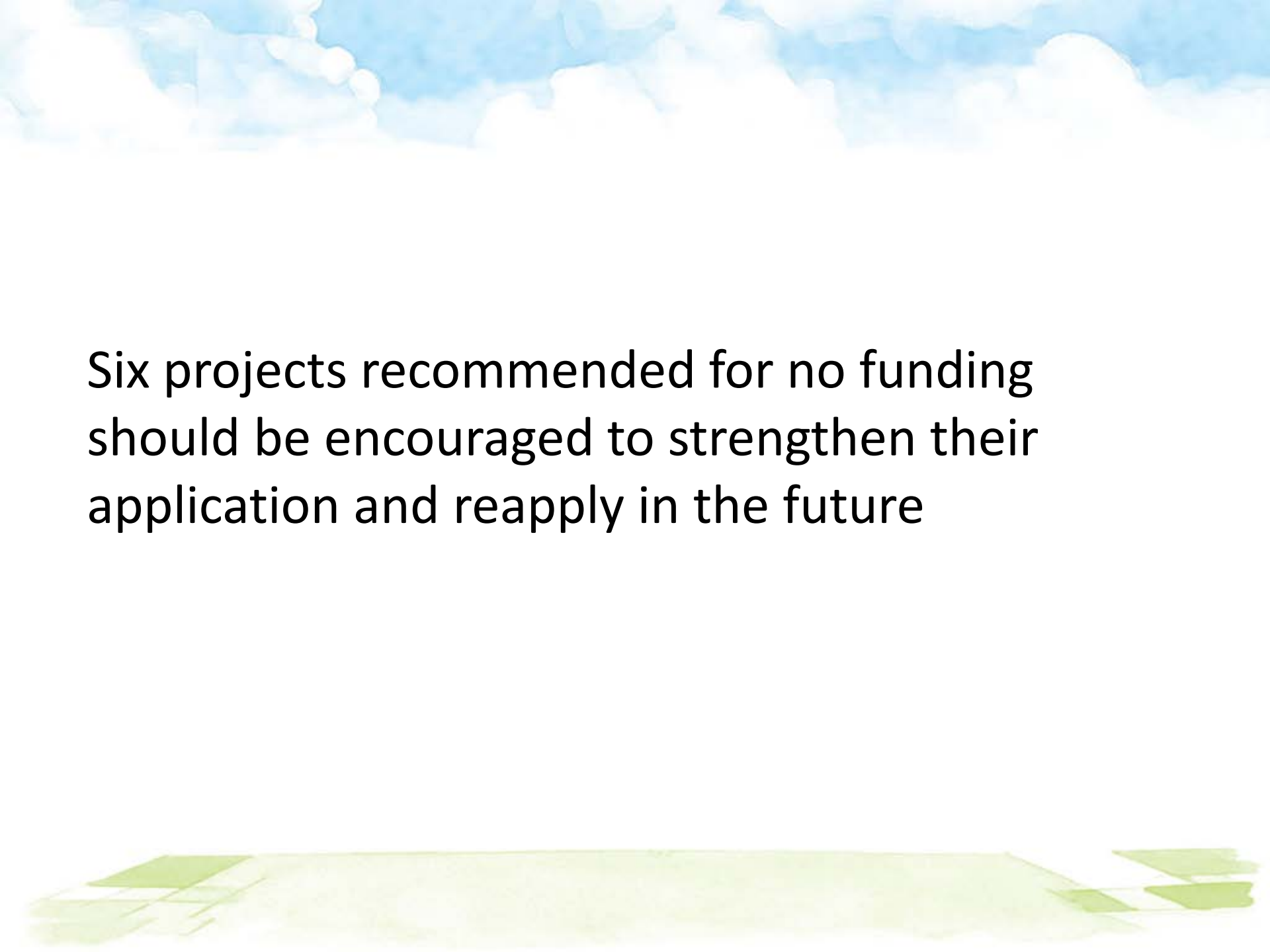
Projects for Full Funding (All are inside the UGB) = 8

City/County	Project Name	Amount Requested	Funding Recommendation
Gresham (City Rank #1)	Gresham Vista Business Park Eco-Industrial Strategies	100,000	100,000
Happy Valley	Rock Creek Employment Center Infrastructure Funding Plan	53,100	53,100
King City	King City Town Center Action Plan	75,000	75,000
Lake Oswego (City Rank #2)	Lake Oswego SW Employment Area Plan	80,000	80,000
Tigard (City Rank #1)	River Terrace Community Plan Implementation	245,000	245,000
Tigard (City Rank #2)	Downtown Tigard Mixed-Use Development Projects	100,000	100,000
West Linn	Arch Bridge/Bolton Center	220,000	220,000
Clackamas County (County Rank #3)	Clackamas Regional Center Area Performance Measures and Multi Modal Area Project	160,000	160,000
Sub-Total (Full Funding Inside the UGB)		\$1,033,100	\$1,033,100

Projects for Partial Funding (All are Inside the UGB)

City/County	Project Name	Amount Requested	Funding Recommendation
Gresham & Portland (Gresham City Rank #2) (Portland Rank #3)	Powell-Division Transit & Development Project	\$812,290	\$681,000
Oregon City	Willamette Falls Visioning/Master Plan	400,000	*300,000
Portland (Rank #1)	Mixed-Use Zoning Project	425,500	380,759
Sherwood (City Rank #2)/Washington County (City Rank #2)	Tonquin Employment Master Plan/Washington County Large Lot Ind. Site Assessments	371,455	255,000
Clackamas County (County Rank #1)	Strategically Significant Employment Lands Project	221,000	200,000
Sub-Total (Partial Funding - All Inside the UGB)		\$2,230,245	\$1,816,759
GRAND TOTAL		\$4,613,486	\$4,200,000

*In addition to \$100,000 from Natural Areas Program for portion of project related to public access.



Six projects recommended for no funding
should be encouraged to strengthen their
application and reapply in the future

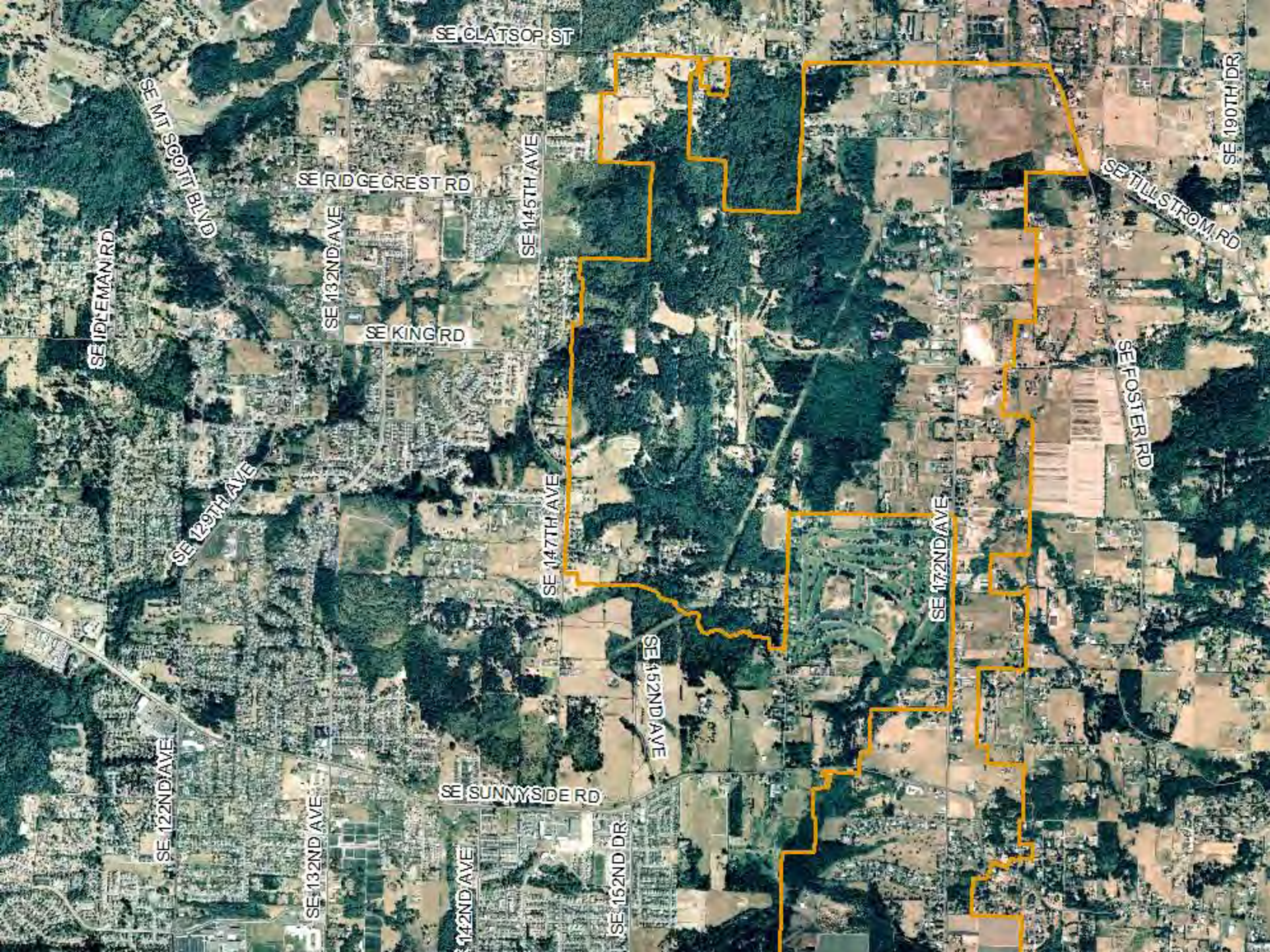
VISIBILITY OF THE IMPORTANT WORK THAT THESE GRANTS ALLOW [Cycles 1 and 2]

Projects Featured

- Happy Valley: East Happy Valley Concept and Comprehensive Plans
- Washington County: North Bethany Community Plan
- Forest Grove: Redevelopment Planning
- Portland (co-presenter): Foster-Lents Integration Partnership

CITY OF HAPPY VALLEY EAST HAPPY VALLEY CONCEPT AND COMPREHENSIVE PLAN

- Funded in Cycle 1 for \$168,631
- IGA signed March 2007
- Expected outcome: Concept Plan / Comprehensive Plan & Zoning



SE CLATSOP ST

SE MT SCOTT BLVD

SE IDLEMAN RD

SE RIDGECREST RD

SE 145TH AVE

SE 190TH DR

SE 132ND AVE

SE KING RD

SE TILLSTROM RD

SE FOSTER RD

SE 129TH AVE

SE 147TH AVE

SE 172ND AVE

SE 152ND AVE

SE 122ND AVE

SE 132ND AVE

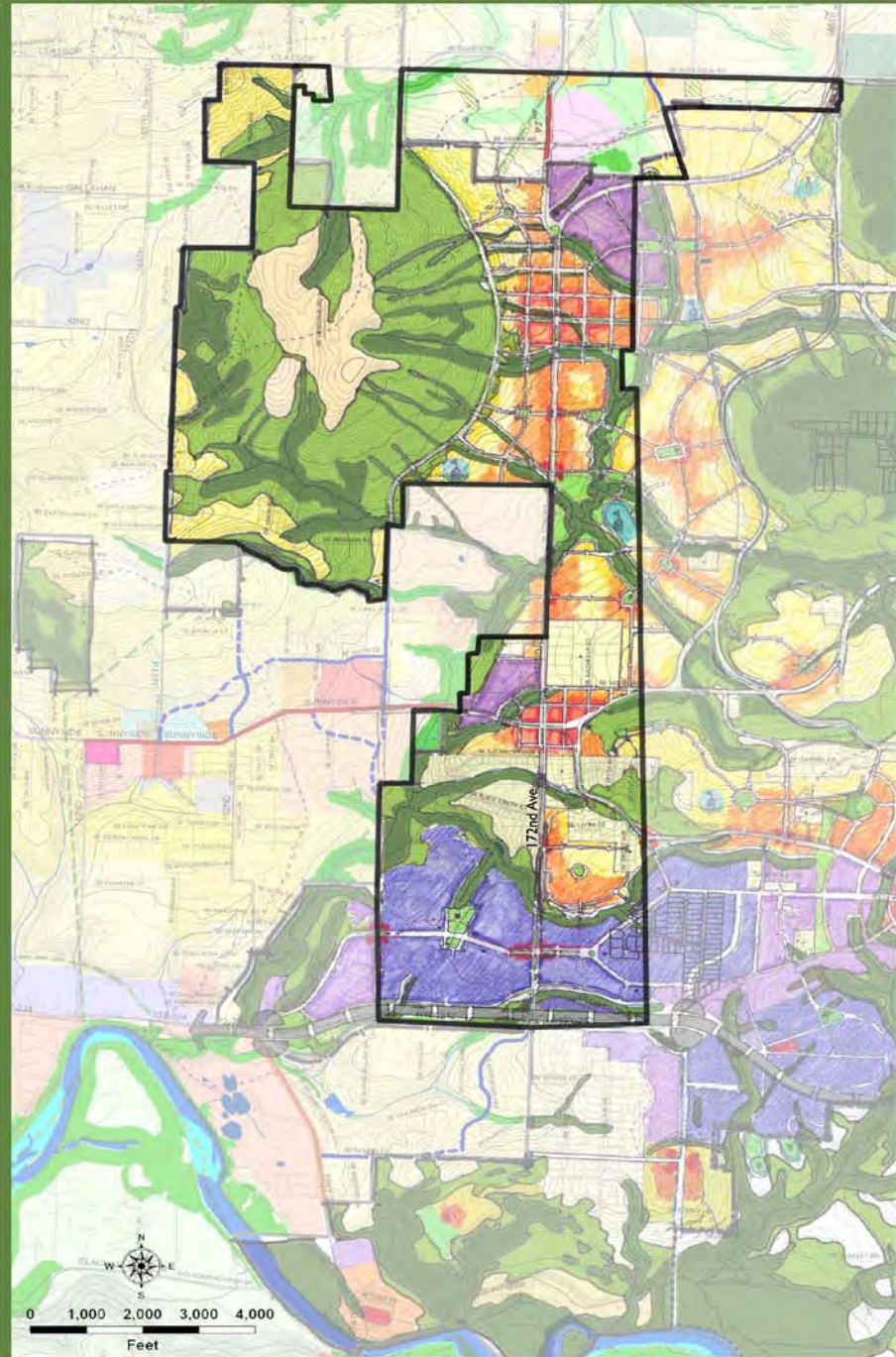
SE SUNNYSIDE RD

SE 142ND AVE

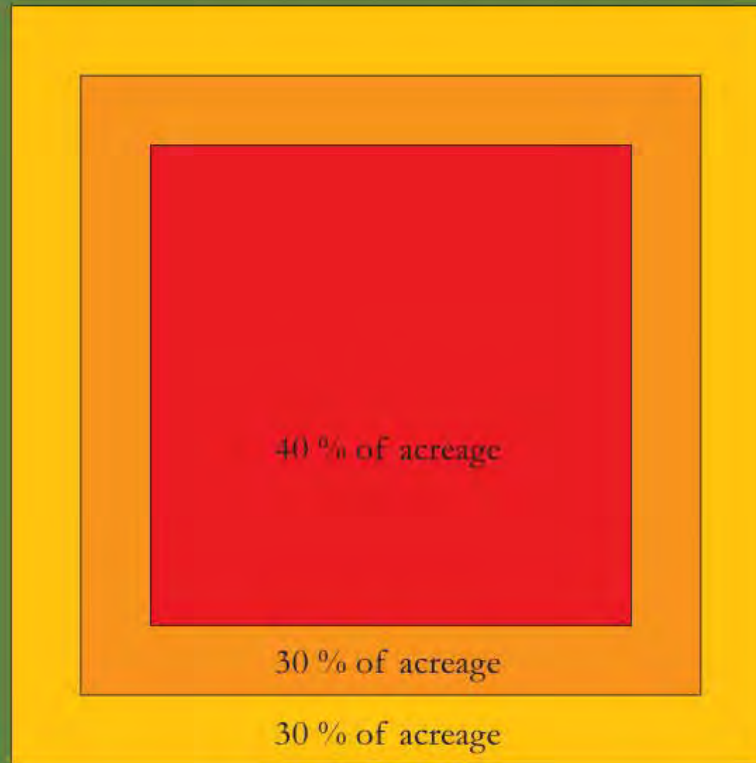
SE 152ND DR

EAST HAPPY VALLEY

- East Happy Valley Study Boundary
- Residential
more dense to less dense
- Centers
- Employment
mixed to industrial
- Transition Areas
very low density residential
- Conservation Areas
baseline natural areas
- Park
illustrative only; non site specific
- School
illustrative only; non site specific
- Parkway Corridor



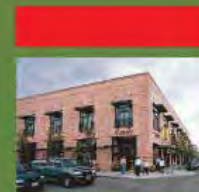
Concept Plan Neighborhood Center Design Type



SFA
10-15 units/acre



MUR M-2
34 units/acre




General
Commercial

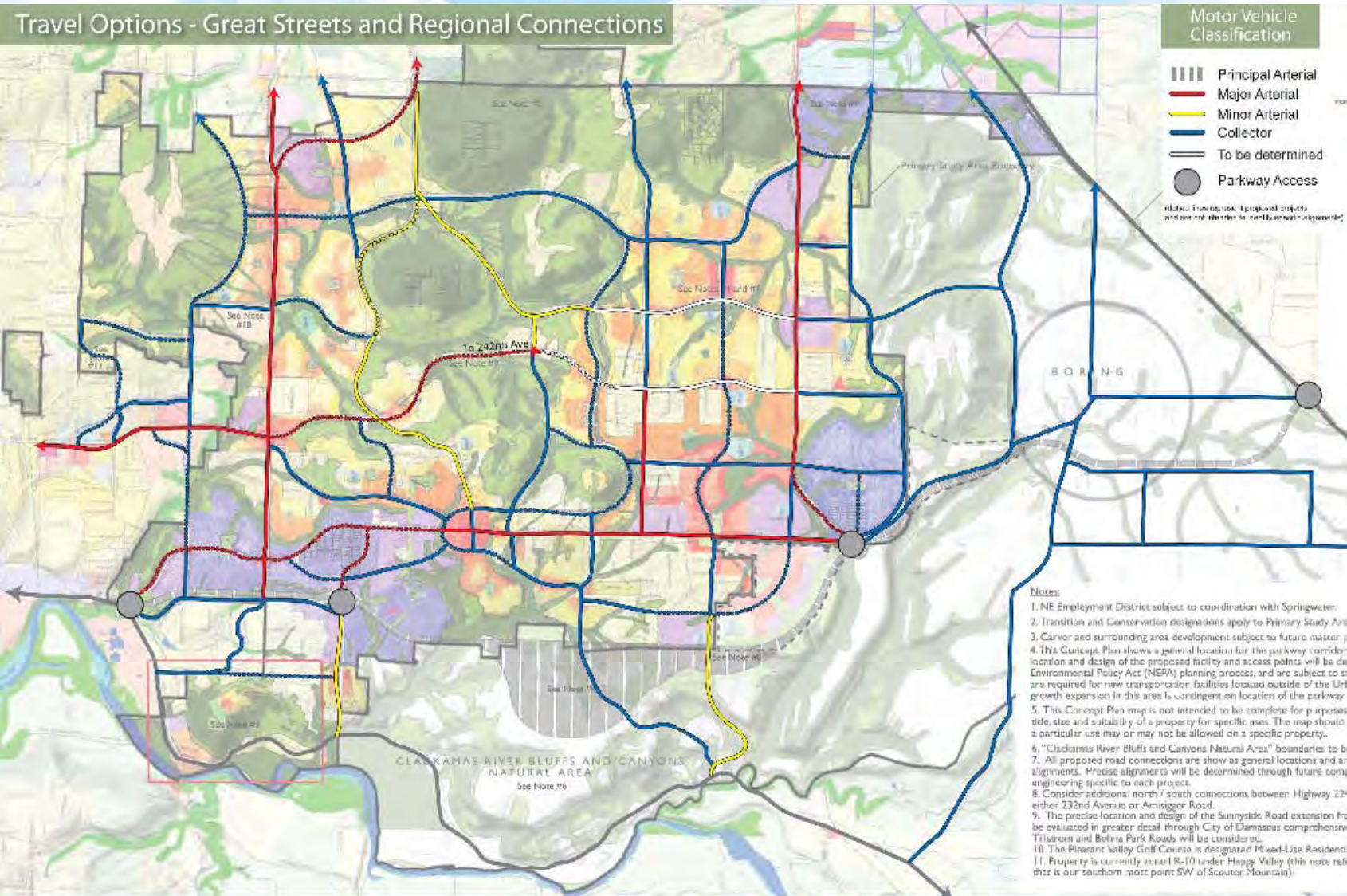
Equivalent Happy Valley Zone District

Travel Options - Great Streets and Regional Connections

Motor Vehicle Classification

-  Principal Arterial
-  Major Arterial
-  Minor Arterial
-  Collector
-  To be determined
-  Parkway Access

Public Facilities & proposed projects will not be subject to certification agreements.



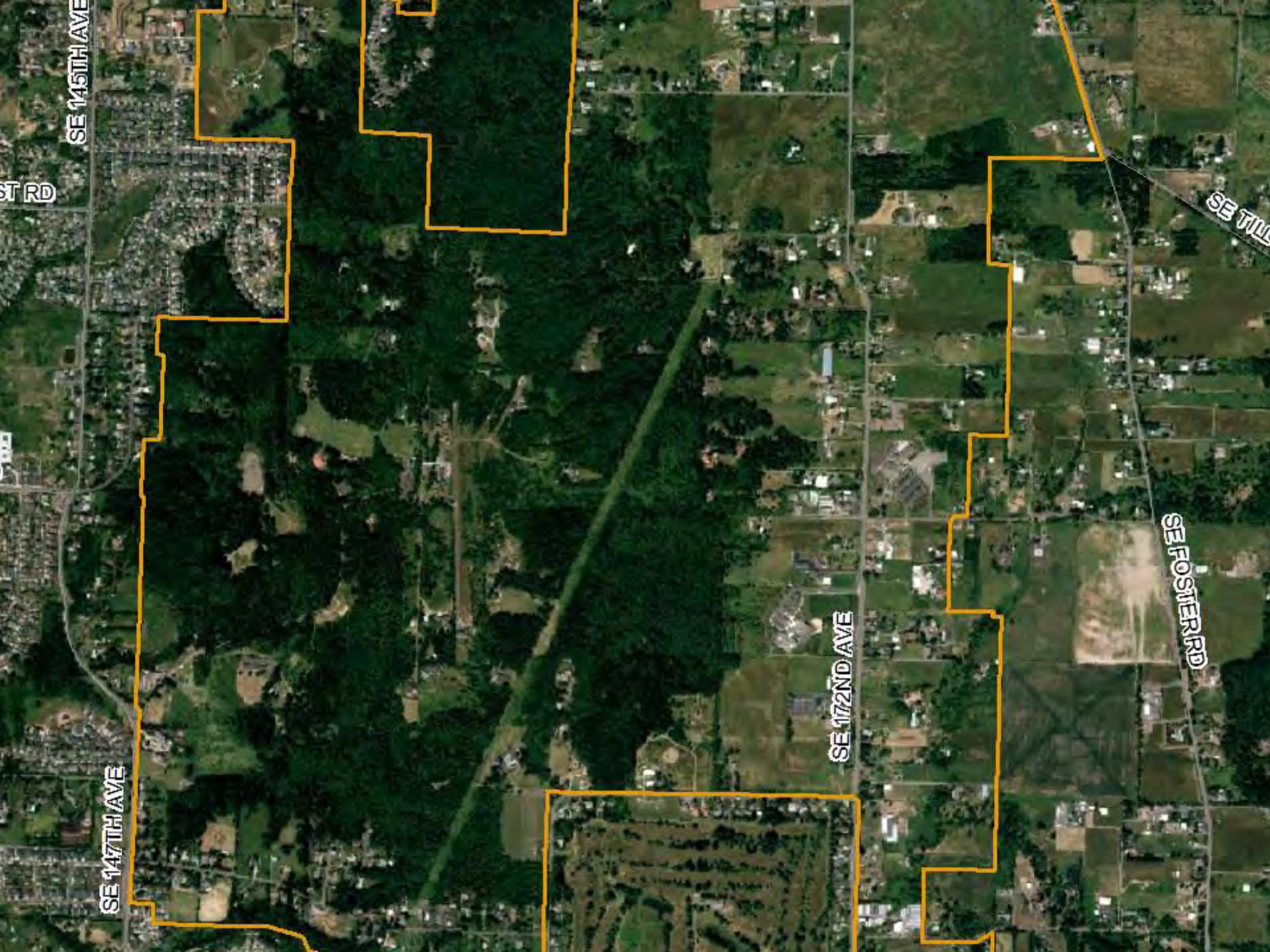
- Notes:**
1. NE Employment District subject to coordination with Springwater.
 2. Transition and Conservation designations apply to Primary Study Area.
 3. Carver and surrounding area development subject to future master plan.
 4. This Concept Plan shows a general location for the parkway corridor; location and design of the proposed facility and access points will be determined through the National Environmental Policy Act (NEPA) planning process, and are subject to requirements for new transportation facilities located outside of the Urban growth expansion in this area is contingent on location of the parkway.
 5. This Concept Plan map is not intended to be complete for purposes of title, size and suitability of a property for specific uses. The map should not be used to determine if a particular use may or may not be allowed on a specific property.
 6. "Clackamas River Bluffs and Canyons Natural Area" boundaries to be determined.
 7. All proposed road connections are shown as general locations and alignments. Precise alignments will be determined through future engineering specific to each project.
 8. Consider additional north / south connections between Highway 224 either 232nd Avenue or Amisiger Road.
 9. The precise location and design of the Sunnyside Road extension from Highway 224 to Highway 224 will be evaluated in greater detail through City of Damascus comprehensive Transportation and Boring Park Roads will be considered.
 10. The Pleasant Valley Golf Course is designated Mixed-Use Residential.
 11. Property is currently zoned R-10 under Happy Valley (this note refers to our southern most point SW of Scouter Mountain).

CONCEPT PLAN

Beyond Concept Planning:

- Annexation
 - Comprehensive Plan Amendments (2009)
 - Guide for Community Dev Code provisions
 - Guide for funding strategies
-

- Public involvement was a key element of the process
- Based on their 2008 Comp Plan Map and Code Amendments, their residential capacity analysis projected the area will provide:
 - 4,700 dwellings (at 9.18 units / net acre)
 - 259 acres of net buildable employment land
 - 990 retail / service employees
 - 12,350 office / industrial employees
 - Total of 13,340 jobs



SE 145TH AVE

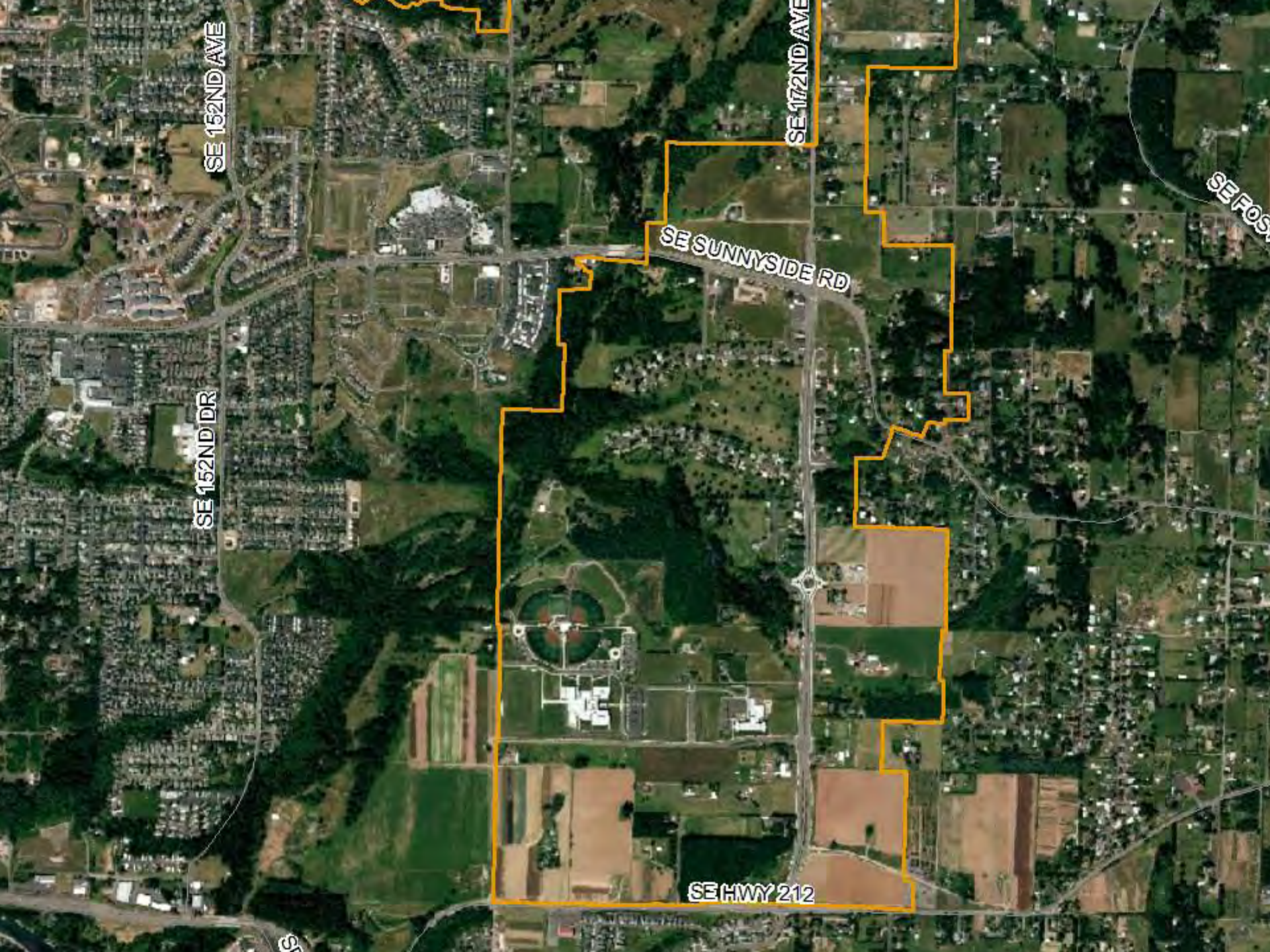
ST RD

SE TILL

SE 147TH AVE

SE 172ND AVE

SE FOSTER RD



SE 152ND AVE

SE 152ND DR

SE SUNNYSIDE RD

SE 172ND AVE

SE HWY 212

SE POST RD

WASHINGTON COUNTY NORTH BETHANY COMMUNITY PLAN

- Funded in Cycle 1 for \$1,170,000
- IGA signed June 2006
- Expected outcome: Concept Plan / Community Plan & Zoning



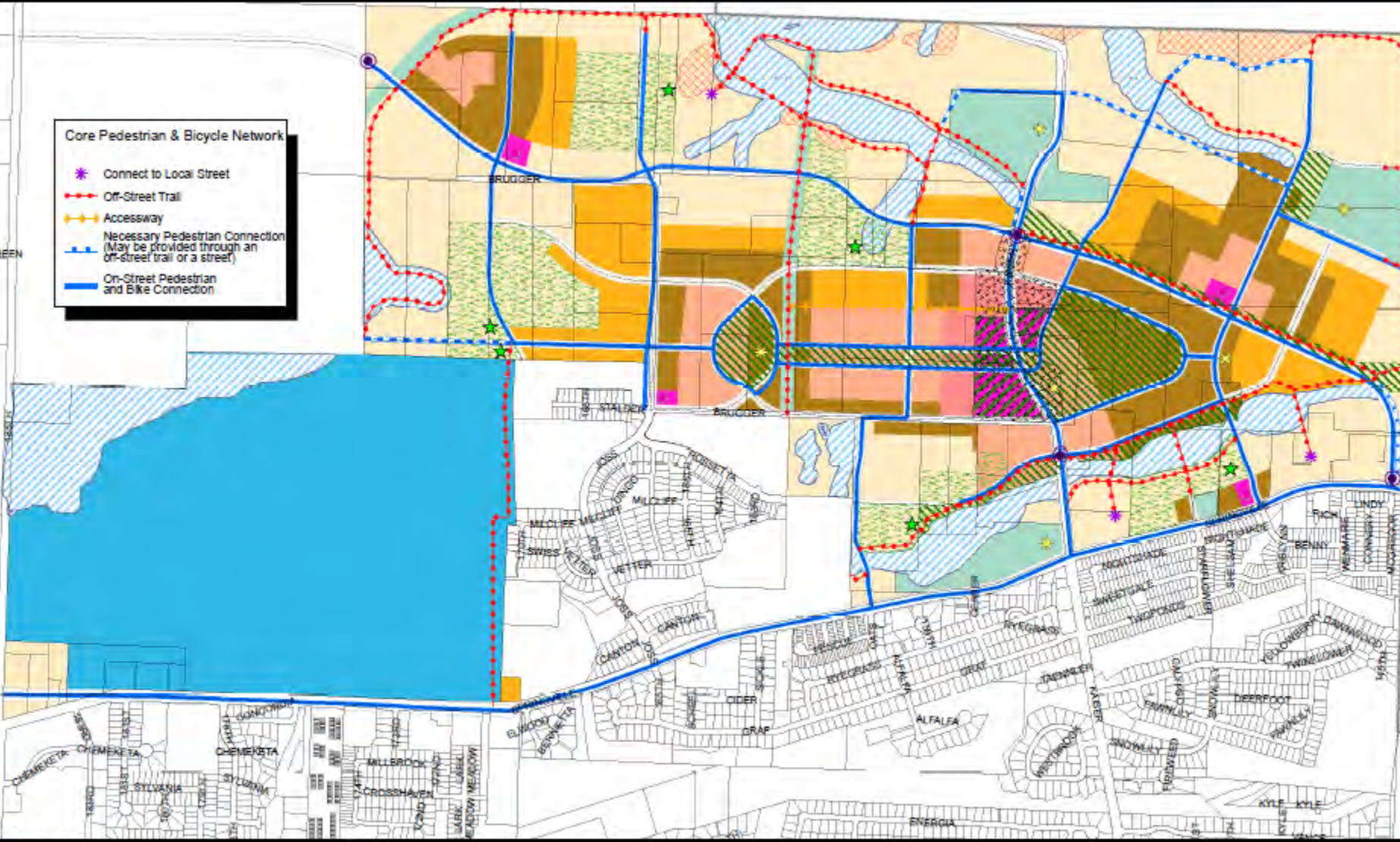
NW SPRINGVILLE RD

NW KAISER RD

Path: J:\Working\GIS\Planning\NB_Feas_2012\NB\Concept\Fac_Segments\Bar2012.mxd 9/28/2012

Core Pedestrian & Bicycle Network

- Connect to Local Street
- Off-Street Trail
- Accessway
- Necessary Pedestrian Connection (May be provided through an off-street trail or a street)
- On-Street Pedestrian and Bike Connection



Washington County - Long Range Planning Division
North Bethany Concept Plan September 20, 2012

R-6 NB	R-24 NB	NC NB	Metro 2040 Main Street Area	+25% Slope	Community Gateway	Neighborhood Commercial Site
R-9 NB	R-25+ NB	INST NB	Fixed Park	Wetland & Estimated CWS Vegetated Corridor	Neighborhood Park	Design Feature
R-15 NB	NCMU NB	INST	Neighborhood Park Areas			

1 inch = 700 feet

0 700 1,400
Feet

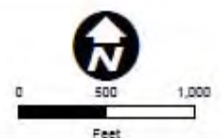
Locality Map



Washington County - Long Range Planning

North Bethany Concept Plan

Land Use Districts					Fixed Parks	North Bethany Study Area	Urban Growth Boundary (UGB)
R-6 NB	R-15 NB	R-25+ NB	NCC NB	INST			
R-9 NB	R-24 NB	NCMU NB	INST NB	Primary Street CL			



Beyond Concept Planning

- Comprehensive Plan Amendments (2010)
 - Guide for Zoning Codes
 - Guide for funding strategies
-

- Public involvement was a key element of the process
- County's anticipated capacity for the area:
 - 3,755 dwellings units (based on 11.5 units per net acre) on 458 gross res acres
 - Remainder acres designated for land uses that support residential development (parks, open spaces, transportation network, and commercial and civic/institutional uses)

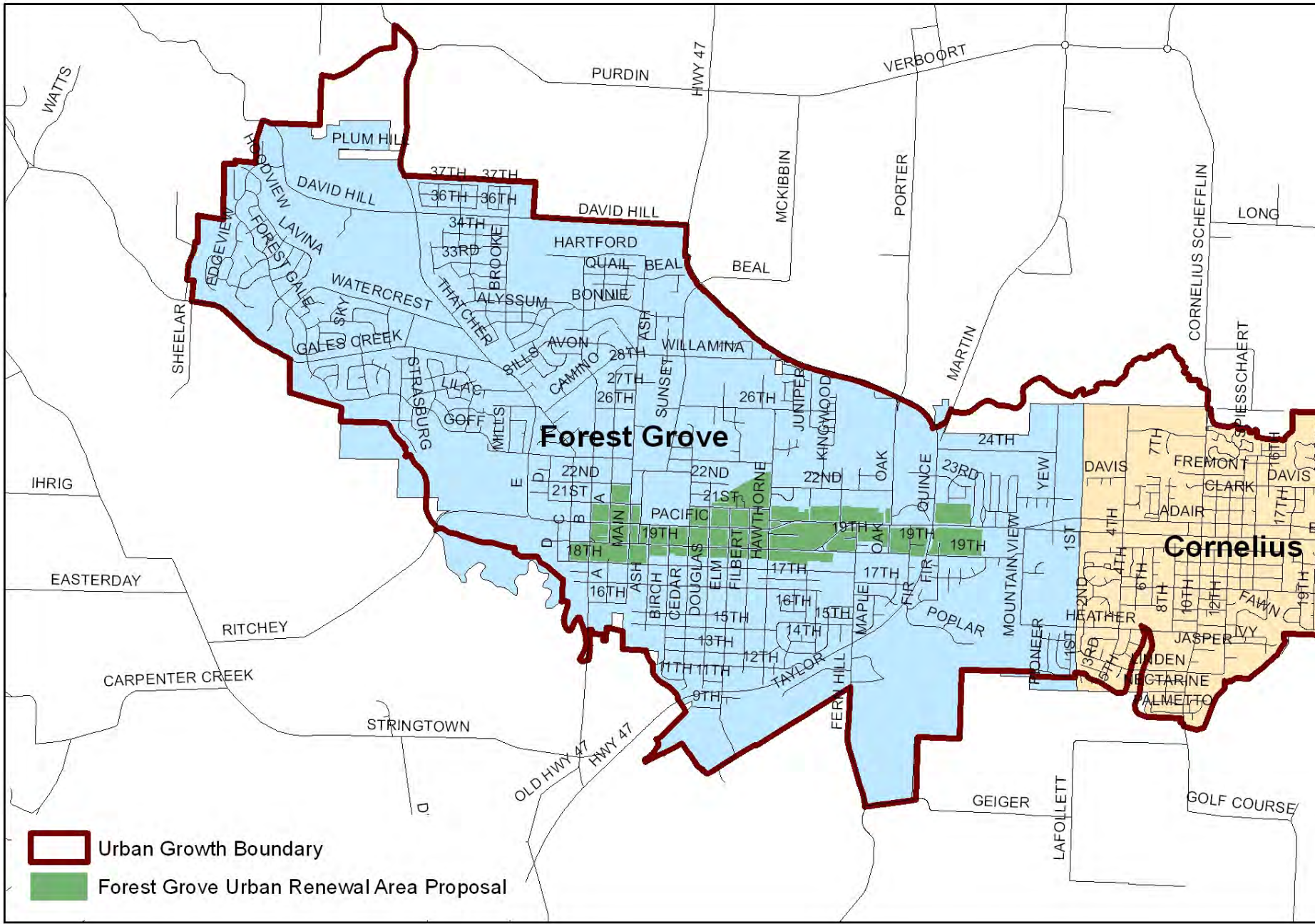


NW SPRINGVILLE RD

NW KAISER RD

CITY OF FOREST GROVE **REDEVELOPMENT PLANNING** **PROJECT**

- Funded in Cycle 2 for \$85,000
- IGA signed June 2011
- Expected outcome: Urban Renewal Feasibility Study and Urban Renewal Report/Plan, including assessment of blight, infrastructure and financial needs to support development and redevelopment in the blighted area. Increase tax base.



- Urban Growth Boundary
- Forest Grove Urban Renewal Area Proposal



05/12/2013





05/12/2013



05/12/2013

CITY OF PORTLAND
FOSTER-LENTS INTEGRATION
PARTNERSHIP PROJECT

- Funded in Cycle 2 for \$250,000
- IGA signed March 2011
- Expected outcome: Foster Corridor Investment Strategy

Who We Are.....

Foster Lents Integration Partnership



**Foster Green
Steering Committee**
PoSI

PDC & City Bureaus
BES, BPS, PBOT, & PPR

Agency Partners
Metro, TriMet



Future Community Partners
To Be Identified via the Investment Strategy

Community Participation

- Four Open Houses
 - Over 200 total visits, average of 60 at each
- On-line feedback via Peak Democracy (132 submissions, 389 reviewers)
- Investment Principles, Evaluation Criteria and Measures of Success

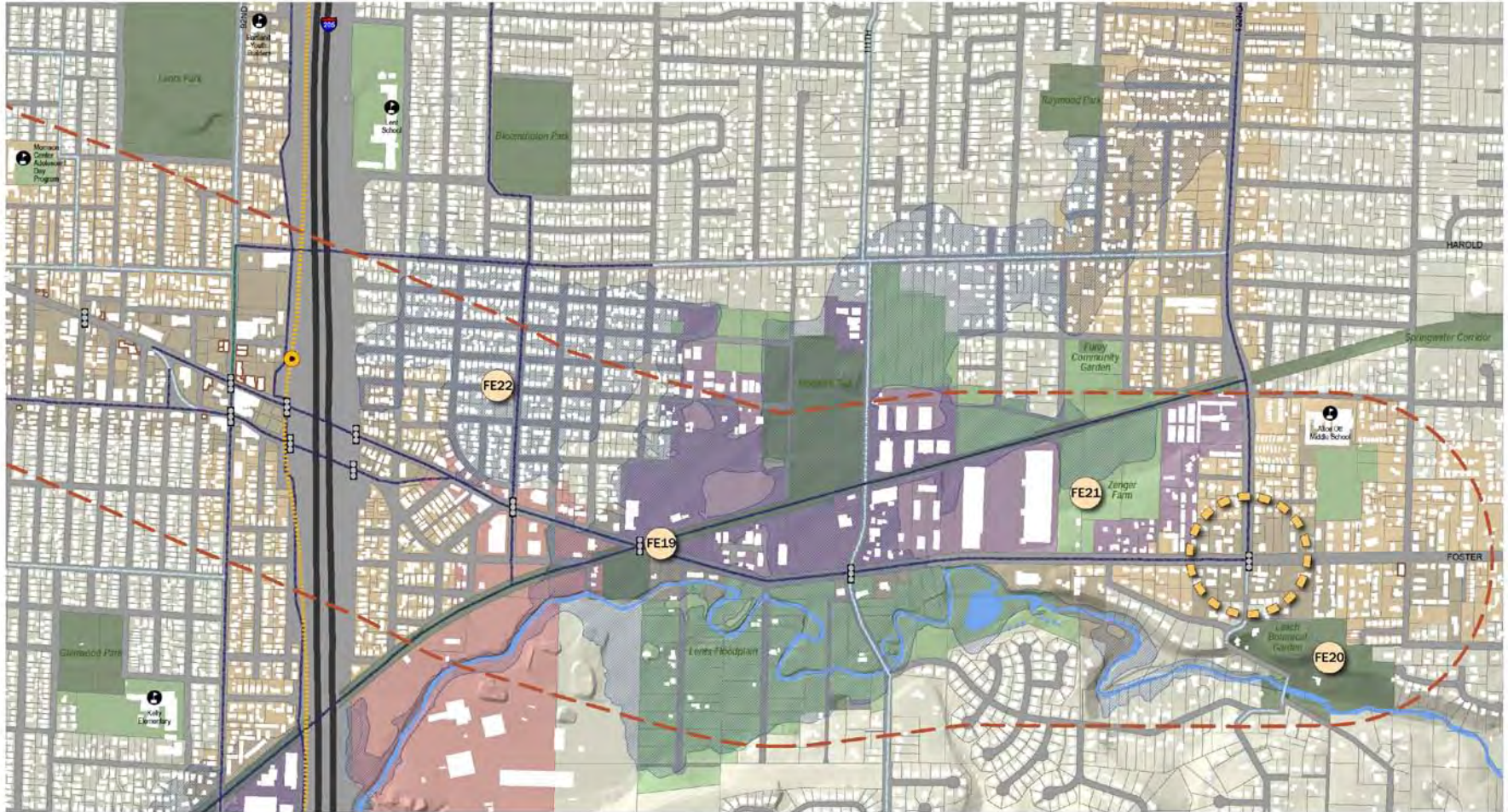


Photo courtesy of Foster United

Foster Projects West-205

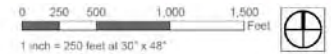


Foster Projects East-205



FOSTER EAST
INTEGRATED FRAMEWORK MAP
 FOSTER CORRIDOR INVESTMENT STRATEGY
 May 12, 2013

LEGEND	
General Zoning / Land Use	100-Year Floodplain
Mixed Use Development	Unreinforced Masonry Building (1890-1958)
Industrial	Light Rail Line
Multi-Family	Light Rail Stop
Commercial	Traffic Signal
Single Family Residential	Study Area
PWR Parks & Open Space	School
Open Space	Active Bikeway
	Planned & Funded Bikeway
	Recommended Bikeway
	Key Intersection



Please refer to corresponding table

Flood Mitigation – Alt 1A



IMMEDIATE NEXT STEPS

- IGA Negotiations
- Communication plan / updates
 - MPAC
 - JPACT
 - MTAC
 - TPAC
 - Update Webpage

From: Martha Bennett
Sent: Friday, August 09, 2013 10:52 AM
Subject: Revised Grants Award Recommendations

Community Planning and Development Grants Screening Committee,

As you have seen in Gerry's recent email update to you, I boosted the funding recommendations for two projects (Powell-Division transit and Development, Portland Mixed Use Zoning) with the additional increase in construction excise tax collections for Cycle 3 – up to \$4 million. This morning, Metro's Chief Financial Officer informed me of his refined estimate of collections based on the current uptick in construction activities. The refined estimate of collections has resulted in additional \$300,000 for Cycle 3 of the CPD Grants, bringing the total to \$4.3 million.

With this good news, I have decided to put \$200,000 of the extra money into Gresham-Portland's Powell-Division Transit and Development Project bringing the recommended award to \$681,000. I also decided that the remaining \$100,000 should be used to conduct a third party performance audit of the grants projects. The performance audit will help us understand the type(s) of projects that are performing well and timely to achieve on-the-ground development and redevelopment. The performance audit will also present an opportunity to review and refine the criteria for grant applications so that we will be able to attract projects that demonstrate community readiness and commitment, and opportunities for public and private investment. Moreover, the audit information can be used to address some of the recommendations of the Screening Committee for how to refine the grant program, and will be useful for discussions on what to do about the tax before it expires in 2014.

The Metro Council decision on the awards is still scheduled next week Thursday, August 15th. Chair Tim Smith will be joining me to present the recommendations. Please do not hesitate to let me or Gerry know if you have questions regarding my decisions.

I would like to thank you all again for the assistance you provided Metro in screening the multiple grant applications that were received.

Sincerely,

Martha

Martha Bennett
Chief Operating Officer

Metro
600 NE Grand Ave.
Portland, OR 97232-2736
503-797-1810
www.oregonmetro.gov

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING FY 2012-) RESOLUTION NO. 13-4450
2013 FUNDING FOR COMMUNITY PLANNING)
AND DEVELOPMENT GRANTS FUNDED) Introduced by: Chief Operating Officer
WITH CONSTRUCTION EXCISE TAX) Martha Bennett in concurrence with Council
President Tom Hughes

WHEREAS, in 2006, Metro adopted Ordinance No. 06-1115, establishing a construction excise tax (CET) to provide funding to local governments for regional and local planning that is required to make land ready for development after its inclusion in the Urban Growth Boundary; and

WHEREAS, since 2006 Metro has provided approximately \$10 million in CET revenue as grants to local governments, who used the grants to fund their concept and comprehensive planning requirements for land added to the Urban Growth Boundary since 2002; and

WHEREAS, in June of 2009, in accordance with the recommendations of a CET Advisory Committee and Metro Policy Advisory Committee, Metro adopted Ordinance No. 09-1220 extending the Metro CET to September 2014 and maintaining the existing CET tax rate, to provide funding for regional and local planning that is required to make land ready for development after its inclusion in the Urban Growth Boundary; and

WHEREAS, in accordance with Metro Code Chapter 7.04 and the Construction Excise Tax Administrative Rules, the COO established a CET grant applications screening committee (“Grant Screening Committee”) consisting of stakeholders with broad expertise to provide the COO an assessment of the strength of each grant request in accordance with the criteria for the grants program as set forth in Metro Code Chapter 7.04 and the CET Administrative Rules; and

WHEREAS, Metro received twenty six (26) grant request applications from seventeen (17) local governments and their partners; and

WHEREAS, local governments submitted applications for funding of concept planning efforts in Urban Reserve Areas consistent with Metro Title 11 requirements for efficient urbanization of future urban areas; and

WHEREAS, local governments submitted applications for planning projects within the existing UGB that will result in on-the-ground development in centers and employment areas, reuse existing infrastructure, promote private and public partnerships, develop innovative practices that could be transferable to other locations, and realize local aspirations; and

WHEREAS, on July 22, 2013 the Grant Screening Committee submitted its recommendations to the COO of the projects they recommended grant funding; and

WHEREAS, in accordance with Metro Code Chapter 7.04 and the CET Administrative Rules, the COO reviewed the recommendations of the Grant Screening Committee, and presented to the Metro Council the COO’s grant recommendations, and the COO’s analysis of the Grant Screening Committee’s recommendations; and

WHEREAS, the Metro Council has reviewed the recommendations of the COO, the work done by the Grant Screening Committee, the grant applications, the grant evaluation criteria, and the public testimony of grant applicants and other interested members of the public;

NOW THEREFORE, BE IT RESOLVED as follows:

- (1) The Metro Council makes the grant awards for the FY 2012-2013 grant cycle totaling approximately ~~\$4 million~~ \$4.2 million, as set forth in Exhibit A, attached hereto and incorporated herein, to those grant recipients and for those projects and in the amounts listed in Exhibit A, contingent upon receipt of adequate CET funds; and
- (2) The Metro Council hereby authorizes and directs the Metro COO and staff, and the Office of Metro Attorney and legal staff, to negotiate Intergovernmental Agreements (“IGAs”) with the grant recipients in substantially the IGA format executed for the 2009 grant cycle or in a format approved by the Office of Metro Attorney, which IGAs shall set forth milestones and funding allocation dates that comply with the Metro Code Construction Excise Tax Chapter 7.04, the CET Administrative Rules, this Resolution No. 13-4450 and Exhibit A attached hereto; and
- (3) The Metro Council hereby directs the Metro COO and her staff to develop a program for monitoring success of the investments over time.

ADOPTED by the Metro Council this _____ day of August, 2013

Tom Hughes, Council President

Approved as to Form:

Alison R. Kean
Metro Attorney

EXHIBIT A
COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

*Funding conditions to be addressed in the Intergovernmental Agreement (IGA)

Projects Outside the UGB

Jurisdiction	Project	Award
Beaverton	South Cooper Mountain Planning	\$469,397 (Applicant Match: \$769,833)

Project Description:

Preparation of a concept plan establishing a long-term vision for urbanizing the 2,300 acre project area, including: the 2002 Cooper Mountain UGB addition; the 2011 South Cooper Mountain UGB Addition; and the balance of urban reserve 6B. Title 11 compliant community plans will be prepared for the areas in the UGB to implement the vision in the near-term.

Funding Conditions:

- Develop the deliverables that payments to the city are linked too.
- Metro staff should serve on the city’s technical committee/s overseeing the planning work.
- They should make sure to address financing and governance commitment.
- Offer transportation choices.

Cornelius	Urban Reserves Concept Plan	\$73,000 (Applicant Match: \$7,000)
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Project Description:

The purpose of this project is to prepare and position the Cornelius Urban Reserves for UGB expansion, urbanization and annexation into the City. The project proposes to inventory conditions, estimate build-out, analyze transportation and utility services for development of a Concept Plan.

Funding Conditions:

- Metro should explore encouraging the county to provide matching funds
- Metro staff should serve on the city’s technical committee/s overseeing the planning work.
- They should make sure to address financing and governance commitment.
- Adresse sustainability, including stormwater/low impact development
- Offer transportation choices.

EXHIBIT A
COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

*Funding conditions to be addressed in the Intergovernmental Agreement (IGA)

Forest Grove	Westside Planning Program	\$123,000 (Application Match: \$49,000)
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Project Description:

Adoption of land use plan, sustainability framework, geo-technical analysis, conceptual traffic network to streamline development review process and issuance of building permits in the developing western portion of city. This project includes completion of a UGMFP Title 11 concept plan for Urban Reserve 7B to support large lot industrial needs.

Funding Conditions:

- It would be good for Forest Grove to talk to Gresham about their eco-industrial site project.
- They should get and use the eco-industrial brochures so they would be aware of those kinds of projects.
- Metro staff should serve on the city’s technical committee/s overseeing the planning work.
- Address sustainability, including stormwater/low impact development.
- They should make sure to address financing and governance commitment.
- Offer transportation choices.

Sherwood	West Concept Plan	\$221,139 (Applicant Match: \$24,570)
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Project Description:

This project identifies the location and type of housing that will best meet the community needs and support multi-modal access and well-connected transportation systems consistent with Title 11. This project will assess barriers and identify the infrastructure investments necessary to support the full build out of the area. Finally, this project will develop a phasing plan for incremental development or inclusion in the UGB while laying the foundation for full build out and provide coordination with Washington County.

Funding Conditions:

- They should be open to best practices and innovation.
- Metro staff should serve on the city’s technical committee/s overseeing the planning work.
- Address sustainability, including stormwater/low impact development.
- They should make sure to address financing and governance commitment.
- Offer transportation choices.

EXHIBIT A
COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

*Funding conditions to be addressed in the Intergovernmental Agreement (IGA)

Wilsonville	Frog Pond/Advance Road Planning	\$341,000 (Applicant Match: \$117,500)
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Project Description:

The project will create one Concept Plan for the Frog Pond and Advance Road areas, and a more detailed Master Plan for the Frog Pond area. The outcome will be Title 11-compliant plans that resolve land use and infrastructure issues and position each area for the next step in urbanization. The Master Plan would detail the land use policies to be applied upon annexation of the property into the city, and include a financing plan for providing needed sewer infrastructure.

Funding Conditions:

- Adresse sustainability, including stormwater/low impact development.
- Metro staff should serve on the city’s technical committee/s overseeing the planning work.
- They should make sure to address financing and governance commitment.
- Offer transportation choices.

Washington County	Concept Planning of Area 93	\$122,605 (Applicant match: \$97,000)
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Project Description:

Once the area is legislatively redistricted, Washington County proposes to complete the concept plan initiated by Multnomah County in 2009. The revised plan will meet county standards, continue public engagement, include existing conditions and transportation framework analysis, and re-initiate partnership support with service providers.

Funding Conditions:

- Adresse sustainability, including stormwater/low impact development.
- Metro staff should serve on the city’s technical committee/s overseeing the planning work.
- They should make sure to address financing and governance commitment.
- Offer transportation choices.

EXHIBIT A
COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

*Funding conditions to be addressed in the Intergovernmental Agreement (IGA)

Projects Inside the UGB

Gresham	Vista Business Park Eco-Industrial Strategies	\$100,000 (Applicant Match: \$415,300)
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Project Description:

The Gresham Vista Business Grant Park grant request – a partnership between the City of Gresham and Port of Portland – will implement four strategies identified in the Gresham Vista Eco-Efficient Implementation Action Plan, provide a framework for eco-industrial development at the site, and a lessons learned report to guide other industrial developments in the region.

Cities of Gresham and Portland	Powell-Division Transit and Development Project	\$681,000 \$481,000 (Applicant(s) Match: \$166,864)
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Project Description:

Gresham: This project, a collaborative effort of Gresham, Portland, Metro and TriMet, will engage the community to create a concept plan for the Inner Powell – Outer Division corridor that identifies a preferred transit mode and concept alignment, and potential transit station areas with the greatest development and placemaking opportunities.

Portland: Engage the community to create a Concept Plan for the Inner Powell –Outer Division Corridor that identifies a preferred transit mode and concept alignment, and potential transit station areas with the greatest development and place-making opportunities.

Funding Conditions:

- Revise the scope of work and budget to match amount of award
- Funding should be used for mostly consultant and/or staff that know how to achieve the assigned objective.
- Metro staff should serve on the city’s technical committee/s overseeing the planning work.
- Leverage knowledge from other (corridor) work done.

EXHIBIT A
COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

*Funding conditions to be addressed in the Intergovernmental Agreement (IGA)

Happy Valley	RCEC Infrastructure Funding Plan	\$53,100 (Applicant Match: \$20,500)
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Project Description:

The preliminary scope of the project is to create a RCEC Infrastructure Funding Plan as the next toward “development ready” sites in this approximately 200 buildable acre, Regionally Significant Industrial/Employment Area.

Funding Conditions:

- Encourage city to be creative.
- Metro has a tool kit they can utilize.
- City must guarantee the match.

King City	King City Town Center Plan & Implementation Strategy	\$75,000 (Applicant Match: \$15,000)
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Project Description:

Refine the King City Town Center/Corridor concepts developed by Metro and Tigard into a specific plan including: land use/urban design/circulation/redevelopment provisions, a detailed implementation strategy, with a focus on redevelopment, spelling out tasks to complete immediately and in the short-long-term, the responsible parties, known and funding sources, and necessary coordination.

Funding Conditions:

- Metro should build conditions into the IGA that the City go back to the private sector for some involvement; This provides an opportunity for a strong letter of interest from a developer who will consider implementation.
- Contacting property owners could be done as an early milestone in the IGA.
- City should involve a contract city engineer.
- City must guarantee the match.
- They should consider and address how this project would leverage the work done in the Southwest Corridor Plan.

Lake Oswego	SW Employment Area Plan	\$80,000 (Applicant Match: \$71,000)
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Project Description:

The City proposes creation of a special district plan that will involve the community a redevelopment plan for an underdeveloped industrial area in southwestern Lake Oswego. The plan will address the mix of uses to be permitted, transportation and multi-modal improvements, regulatory standards, and financing strategies.

EXHIBIT A
COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

*Funding conditions to be addressed in the Intergovernmental Agreement (IGA)

Oregon City	Willamette Falls Legacy Project	\$300,000 (Applicant Match: \$281,641)
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Project Description:

The purpose of this grant is to select a Consulting Team to assist the City of Oregon City, in cooperation with the bankruptcy trustee, in completing a Master Plan and Rezoning of the former Blue Heron Paper Mill Site. This planning project will create a vision for the site through a robust public process that respects the history and nature of the land and provides needed certainty to the development community by removing or reducing barriers to site redevelopment.

Funding Conditions:

- A primary factor for the Screening Committee comments and recommendations was the mandate to focus on applications that produce short-term investment and implementation. In that spirit, there was a consensus that this is an important project and recommends a potential grant of \$300,000, which is however, conditioned on the applicant submitting a revised proposal that addresses the committee’s concern that the goals of the owners as represented by the trustee, City of Oregon City, Metro, and the wishes and ideas resulting from public involvement in the design consultant team process, will align with the capabilities and willingness of the purchaser. The concern is, can the process effectively lead to implementation. The overriding basis for recommending funding is the assurance that implementation and the methods for accomplishing such are the immediate focus, and it is in that spirit that the Committee provides this important upfront communication about capacity to implement.
- Metro could fund an initial start-up cost to see if the trustee will work with the city and/or to develop an agreement between the two. It is pointless to fund a property for someone else to develop without them being involved. The potential owner needs to get involved somehow.
- What complicates this application is that now there are new circumstances due to a possible buyer and the committee wants to make sure that the conditions reflect the current development.

**The COO recommends Metro allocate an additional \$100,000 from the Natural Areas Programs for this project.*

Portland (Ranked #1)	Mixed-Use Zoning Project	\$380,759 (Applicant Match: \$207,900)
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Project Description:

Revise Portland’s mixed use zoning regulations to better implement new Comprehensive Plan policies that focus growth and development in mixed-use centers, corridors, and station areas across the city, providing local services, additional housing, and employment opportunities. Engage neighborhoods and the development community to ensure that both perspectives are represented in solutions.

Funding Conditions:

- Revise the scope of work and budget to match amount of award
- City must guarantee the match.
- Shift some of the labor from staff to consultant/s

EXHIBIT A
COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

*Funding conditions to be addressed in the Intergovernmental Agreement (IGA)

Tigard (Ranked #1)	Terrace Community Plan Implementation	\$245,000 (Applicant Match: \$432,473)
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Project Description:

A concept plan has been prepared for the area and adopted by the City. This grant application will fund two critical elements of the River Terrace Community Plan: a Public Facility Plan Update; and an infrastructure Financing Strategy. All other aspects of the Community Plan will be funded by the City with existing resources.

Tigard (Ranked #2)	Downtown Tigard Mixed-Use Development Projects	\$100,000 (Applicant Match: \$130,340)
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Project Description:

The Tigard Mixed-Use Development Project will focus on two significant catalytic redevelopment opportunities that require pre-development analysis and strategy in order to be successful. George Diamond Properties and the City’s urban renewal agency will partner on: a site owned by the City of approximately 3.26 acres; and a separate 3 acre site to be acquired by the developer.

Funding Conditions:

- The project could be conditioned based on the environmental clean-up.
- City must guarantee the match

Sherwood & Washington County	1) City of Sherwood/Tonquin Employment Area Implementation Plan 2) Washington County/ Industrial Lands Analysis	Recommendation: Combined Partial Funding for City of Sherwood and Washington County: \$255,000 (Combined Match: \$116,378)
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Project Description:

Sherwood project: The City proposes to conduct implementation planning efforts for the Tonquin Employment Area, brought into the UGB in 2009 as a future employment area, and initially concept planned in 2010 and part of the 2012 Regional Industrial Site Readiness project. This project will refine the infrastructure needs for development with potential phases for annexation, re-examine the market conditions to determine highest and best use, identify barriers to those sectors, and develop a marketing strategy with SW Tualatin Concept Plan.

Washington County project: A partnership with Washington County and the cities of Hillsboro, Forest Grove, Sherwood, Tualatin and Wilsonville, with assistance from the Port of Portland. This project utilizes the framework of the 2012 Regional Industrial Site Readiness Project to complete detailed site assessments for 15 large lot industrial sites within Washington County.

Funding Conditions:

- Funding conditions considered for these two projects in the same County with similar work scope of work:

EXHIBIT A
COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

*Funding conditions to be addressed in the Intergovernmental Agreement (IGA)

- Combine the two projects and state that Sherwood has to be studied for sure, as long as the direction to the jurisdictions is clear.
- Washington County and City of Sherwood should share information
- County and City should revise the scope of work and budget to match amount of award
- City must guarantee the match.

West Linn	Arch Bridge/Bolton Center	\$220,000 (Applicant Match: \$80,000)
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Project Description:

The City requests funding for a master plan and financing strategy for the Arch Bridge/Bolton area, identified as a town center in the Metro 2040 Growth Concept, to guide redevelopment in the area, to maximize the potential of the area, complement plans for the redevelopment of the former Blue Heron mill across the river, and avoid independent actions that may foreclose preferred redevelopment options for the area.

Clackamas County (Ranked #1)	Clackamas County Strategically Significant Employment Lands	\$200,000 (Applicant Match: \$273,110)
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Project Description:

Clackamas County has created an inventory of employment lands that has varying states of readiness. This Project will provide a better understanding of the investment required to make significant sites “development ready” as well as associated economic return, in order to ensure the County’s competitiveness.

Funding Conditions:

- Revise the scope of work and budget to match amount of award

EXHIBIT A
COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

*Funding conditions to be addressed in the Intergovernmental Agreement (IGA)

Clackamas County (Ranked #3)	Clackamas Regional Center Area Performance Measures and Multi Modal Area Project	\$160,000 (Applicant Match: \$20,000)
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Project Description:

The Project will recommend alternative transportation system performance measures and the designation of a Multi-modal Mixed-use Area (MMA) for the Clackamas Regional Center Area as allowed by the Transportation Planning Rule. The Project may also recommend an alternate approach to transportation infrastructure funding within the MMA.

Funding Conditions:

- The County should identify upfront what MMA best practices information they get and commit to sharing with Metro so that region learns from it.

**ADDENDUM: Attachment A (COO Recommendations to Metro Council)
2013 Community Planning and Development Grants**

Projects Recommended for Full Funding (Outside & Inside UGB)

City/County	Project Name	Amount Requested	Funding Recommendation	Outside/ Inside the UGB	Funding Condition Yes / No
Beaverton	South Cooper Mtn. Concept & Community Plan	\$469,397	\$469,397	Outside	Yes
Cornelius	Urban Reserves Concept Plan	\$73,000	\$73,000	Outside	Yes
Forest Grove	Forest Grove Westside Planning Program	123,000	123,000	Outside	Yes
Sherwood	West Sherwood Concept Plan	221,139	221,139	Outside	Yes
Wilsonville	Frog Pond / Advance Road Concept Plan	341,000	341,000	Outside	Yes
Washington Co. (County Rank #1)	Concept Planning of Area 93	122,605	122,605	Outside	Yes
Gresham (City Rank #1)	Gresham Vista Business Park Eco-Industrial Strategies	100,000	100,000	Inside	-
Happy Valley	Rock Creek Employment Center Infrastructure Funding Plan	53,100	53,100	Inside	Yes
King City	King City Town Center Action Plan	75,000	75,000	Inside	Yes
Lake Oswego (City Rank #2)	Lake Oswego SW Employment Area Plan	80,000	80,000	Inside	-
Tigard (City Rank #1)	River Terrace Community Plan Implementation	245,000	245,000	Inside	-
Tigard (City Rank #2)	Downtown Tigard Mixed-Use Development Projects	100,000	100,000	Inside	Yes
West Linn	Arch Bridge/Bolton Center	220,000	220,000	Inside	-
Clackamas County (County Rank #3)	Clackamas Regional Center Area Performance Measures and Multi Modal Area Project	160,000	160,000	Inside	Yes
SUB-TOTAL		\$2,383,241	\$2,383,241		

Projects Recommended for Partial Funding (Inside UGB)

City/County	Project Name	Amount Requested	Funding Recommendation	Outside/ Inside the UGB	Funding Condition Yes / No
Gresham & Portland (Gresham City Rank #2) (Portland Rank #3)	Powell-Division Transit & Development Project	\$812,290	\$681,000 \$481,000	Inside	Yes
Oregon City	Willamette Falls Visioning/Master Plan	400,000	*300,000	Inside	Yes
Portland (Rank #1)	Mixed-Use Zoning Project	425,502	380,759	Inside	Yes
Sherwood (City Rank #2)/Washington County (City Rank #2)	Tonquin Employment Master Plan/Washington County Large Lot Ind. Site Assessments	371,495	255,000	Inside	Yes
Clackamas County (County Rank #1)	Strategically Significant Employment Lands Project	221,000	200,000	Inside	-
SUB-TOTAL		\$2,230,287	\$1,816,759		
			\$1,616,759		
GRAND TOTAL			\$4,200,000		

*In addition to \$100,000 from Natural Areas Program for portion of project related to public access.

Attachment A (continued)

CPDG Screening Committee Recommendations for Increased, Full, Partial, and No Funding

Projects Recommended for No Funding (Inside the UGB)

City/County	Project Name	Amount Requested
Hillsboro	Downtown 10th Avenue Corridor Plan	\$185,000
Lake Oswego (City Rank #1)	Lake Grove Village Center Parking Plan	60,000
Portland (City Rank #2)	Central City Parking Policy Project	250,358
Portland (City Rank #4)	Campus Institution Zoning Update	110,000
Clackamas County (County Rank #2)	Multi-use Development in Corridors	160,000
Washington County (County Rank #3)	Urban Design for North Bethany Main Street	107,253
	TOTAL	\$872,611

ADDENDUM: ATTACHMENT B (COO Recommendations to Metro Council)
COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

*Funding conditions to be addressed in the Intergovernmental Agreement (IGA)

Projects Outside the UGB

Jurisdiction	Project	Award
Beaverton	South Cooper Mountain Planning	\$469,397 (Applicant Match: \$769,833)

Project Description:

Preparation of a concept plan establishing a long-term vision for urbanizing the 2,300 acre project area, including: the 2002 Cooper Mountain UGB addition; the 2011 South Cooper Mountain UGB Addition; and the balance of urban reserve 6B. Title 11 compliant community plans will be prepared for the areas in the UGB to implement the vision in the near-term.

Funding Conditions:

- Develop the deliverables that payments to the city are linked too.
- Metro staff should serve on the city’s technical committee/s overseeing the planning work.
- They should make sure to address financing and governance commitment.
- Offer transportation choices.

Cornelius	Urban Reserves Concept Plan	\$73,000 (Applicant Match: \$7,000)
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Project Description:

The purpose of this project is to prepare and position the Cornelius Urban Reserves for UGB expansion, urbanization and annexation into the City. The project proposes to inventory conditions, estimate build-out, analyze transportation and utility services for development of a Concept Plan.

Funding Conditions:

- Metro should explore encouraging the county to provide matching funds
- Metro staff should serve on the city’s technical committee/s overseeing the planning work.
- They should make sure to address financing and governance commitment.
- Adresse sustainability, including stormwater/low impact development
- Offer transportation choices.

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COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

*Funding conditions to be addressed in the Intergovernmental Agreement (IGA)

Forest Grove	Westside Planning Program	\$123,000 (Application Match: \$49,000)
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Project Description:

Adoption of land use plan, sustainability framework, geo-technical analysis, conceptual traffic network to streamline development review process and issuance of building permits in the developing western portion of city. This project includes completion of a UGMFP Title 11 concept plan for Urban Reserve 7B to support large lot industrial needs.

Funding Conditions:

- It would be good for Forest Grove to talk to Gresham about their eco-industrial site project.
- They should get and use the eco-industrial brochures so they would be aware of those kinds of projects.
- Metro staff should serve on the city’s technical committee/s overseeing the planning work.
- Address sustainability, including stormwater/low impact development.
- They should make sure to address financing and governance commitment.
- Offer transportation choices.

Sherwood	West Concept Plan	\$221,139 (Applicant Match: \$24,570)
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Project Description:

This project identifies the location and type of housing that will best meet the community needs and support multi-modal access and well-connected transportation systems consistent with Title 11. This project will assess barriers and identify the infrastructure investments necessary to support the full build out of the area. Finally, this project will develop a phasing plan for incremental development or inclusion in the UGB while laying the foundation for full build out and provide coordination with Washington County.

Funding Conditions:

- They should be open to best practices and innovation.
- Metro staff should serve on the city’s technical committee/s overseeing the planning work.
- Address sustainability, including stormwater/low impact development.
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COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

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Wilsonville	Frog Pond/Advance Road Planning	\$341,000 (Applicant Match: \$117,500)
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Project Description:

The project will create one Concept Plan for the Frog Pond and Advance Road areas, and a more detailed Master Plan for the Frog Pond area. The outcome will be Title 11-compliant plans that resolve land use and infrastructure issues and position each area for the next step in urbanization. The Master Plan would detail the land use policies to be applied upon annexation of the property into the city, and include a financing plan for providing needed sewer infrastructure.

Funding Conditions:

- Address sustainability, including stormwater/low impact development.
- Metro staff should serve on the city’s technical committee/s overseeing the planning work.
- They should make sure to address financing and governance commitment.
- Offer transportation choices.

Washington County	Concept Planning of Area 93	\$122,605 (Applicant match: \$97,000)
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Project Description:

Once the area is legislatively redistricted, Washington County proposes to complete the concept plan initiated by Multnomah County in 2009. The revised plan will meet county standards, continue public engagement, include existing conditions and transportation framework analysis, and re-initiate partnership support with service providers.

Funding Conditions:

- Address sustainability, including stormwater/low impact development.
- Metro staff should serve on the city’s technical committee/s overseeing the planning work.
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ADDENDUM: ATTACHMENT B (COO Recommendations to Metro Council)
COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

*Funding conditions to be addressed in the Intergovernmental Agreement (IGA)

Projects Inside the UGB

Gresham	Vista Business Park Eco-Industrial Strategies	\$100,000 (Applicant Match: \$415,300)
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Project Description:

The Gresham Vista Business Grant Park grant request – a partnership between the City of Gresham and Port of Portland – will implement four strategies identified in the Gresham Vista Eco-Efficient Implementation Action Plan, provide a framework for eco-industrial development at the site, and a lessons learned report to guide other industrial developments in the region.

Cities of Gresham and Portland	Powell-Division Transit and Development Project	\$681,000 \$481,000 (Applicant(s) Match: \$166,864)
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Project Description:

Gresham: This project, a collaborative effort of Gresham, Portland, Metro and TriMet, will engage the community to create a concept plan for the Inner Powell – Outer Division corridor that identifies a preferred transit mode and concept alignment, and potential transit station areas with the greatest development and placemaking opportunities.

Portland: Engage the community to create a Concept Plan for the Inner Powell –Outer Division Corridor that identifies a preferred transit mode and concept alignment, and potential transit station areas with the greatest development and place-making opportunities.

Funding Conditions:

- Revise the scope of work and budget to match amount of award
- Funding should be used for mostly consultant and/or staff that know how to achieve the assigned objective.
- Metro staff should serve on the city’s technical committee/s overseeing the planning work.
- Leverage knowledge from other (corridor) work done.

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COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

*Funding conditions to be addressed in the Intergovernmental Agreement (IGA)

Happy Valley	RCEC Infrastructure Funding Plan	\$53,100 (Applicant Match: \$20,500)
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Project Description:

The preliminary scope of the project is to create a RCEC Infrastructure Funding Plan as the next toward “development ready” sites in this approximately 200 buildable acre, Regionally Significant Industrial/Employment Area.

Funding Conditions:

- Encourage city to be creative.
- Metro has a tool kit they can utilize.
- City must guarantee the match.

King City	King City Town Center Plan & Implementation Strategy	\$75,000 (Applicant Match: \$15,000)
------------------	---	--

Project Description:

Refine the King City Town Center/Corridor concepts developed by Metro and Tigard into a specific plan including: land use/urban design/circulation/redevelopment provisions, a detailed implementation strategy, with a focus on redevelopment, spelling out tasks to complete immediately and in the short-long-term, the responsible parties, known and funding sources, and necessary coordination.

Funding Conditions:

- Metro should build conditions into the IGA that the City go back to the private sector for some involvement; This provides an opportunity for a strong letter of interest from a developer who will consider implementation.
- Contacting property owners could be done as an early milestone in the IGA.
- City should involve a contract city engineer.
- City must guarantee the match.
- They should consider and address how this project would leverage the work done in the Southwest Corridor Plan.

Lake Oswego	SW Employment Area Plan	\$80,000 (Applicant Match: \$71,000)
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Project Description:

The City proposes creation of a special district plan that will involve the community a redevelopment plan for an underdeveloped industrial area in southwestern Lake Oswego. The plan will address the mix of uses to be permitted, transportation and multi-modal improvements, regulatory standards, and financing strategies.

ADDENDUM: ATTACHMENT B (COO Recommendations to Metro Council)
COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

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Oregon City	Willamette Falls Legacy Project	\$300,000 (Applicant Match: \$281,641)
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Project Description:

The purpose of this grant is to select a Consulting Team to assist the City of Oregon City, in cooperation with the bankruptcy trustee, in completing a Master Plan and Rezoning of the former Blue Heron Paper Mill Site. This planning project will create a vision for the site through a robust public process that respects the history and nature of the land and provides needed certainty to the development community by removing or reducing barriers to site redevelopment.

Funding Conditions:

- A primary factor for the Screening Committee comments and recommendations was the mandate to focus on applications that produce short-term investment and implementation. In that spirit, there was a consensus that this is an important project and recommends a potential grant of \$300,000, which is however, conditioned on the applicant submitting a revised proposal that addresses the committee’s concern that the goals of the owners as represented by the trustee, City of Oregon City, Metro, and the wishes and ideas resulting from public involvement in the design consultant team process, will align with the capabilities and willingness of the purchaser. The concern is, can the process effectively lead to implementation. The overriding basis for recommending funding is the assurance that implementation and the methods for accomplishing such are the immediate focus, and it is in that spirit that the Committee provides this important upfront communication about capacity to implement.
- Metro could fund an initial start-up cost to see if the trustee will work with the city and/or to develop an agreement between the two. It is pointless to fund a property for someone else to develop without them being involved. The potential owner needs to get involved somehow.
- What complicates this application is that now there are new circumstances due to a possible buyer and the committee wants to make sure that the conditions reflect the current development.

**The COO recommends Metro allocate an additional \$100,000 from the Natural Areas Programs for this project.*

Portland (Ranked #1)	Mixed-Use Zoning Project	\$380,759 (Applicant Match: \$207,900)
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Project Description:

Revise Portland’s mixed use zoning regulations to better implement new Comprehensive Plan policies that focus growth and development in mixed-use centers, corridors, and station areas across the city, providing local services, additional housing, and employment opportunities. Engage neighborhoods and the development community to ensure that both perspectives are represented in solutions.

Funding Conditions:

- Revise the scope of work and budget to match amount of award
- City must guarantee the match.
- Shift some of the labor from staff to consultant/s

ADDENDUM: ATTACHMENT B (COO Recommendations to Metro Council)
COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

*Funding conditions to be addressed in the Intergovernmental Agreement (IGA)

Tigard (Ranked #1)	Terrace Community Plan Implementation	\$245,000 (Applicant Match: \$432,473)
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Project Description:

A concept plan has been prepared for the area and adopted by the City. This grant application will fund two critical elements of the River Terrace Community Plan: a Public Facility Plan Update; and an infrastructure Financing Strategy. All other aspects of the Community Plan will be funded by the City with existing resources.

Tigard (Ranked #2)	Downtown Tigard Mixed-Use Development Projects	\$100,000 (Applicant Match: \$130,340)
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Project Description:

The Tigard Mixed-Use Development Project will focus on two significant catalytic redevelopment opportunities that require pre-development analysis and strategy in order to be successful. George Diamond Properties and the City's urban renewal agency will partner on: a site owned by the City of approximately 3.26 acres; and a separate 3 acre site to be acquired by the developer.

Funding Conditions:

- The project could be conditioned based on the environmental clean-up.
- City must guarantee the match

Sherwood & Washington County	<ol style="list-style-type: none"> 1) City of Sherwood/Tonquin Employment Area Implementation Plan 2) Washington County/Industrial Lands Analysis 	Recommendation: Combined Partial Funding for City of Sherwood and Washington County: \$255,000 (Combined Match: \$116,378)
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Project Description:

Sherwood project: The City proposes to conduct implementation planning efforts for the Tonquin Employment Area, brought into the UGB in 2009 as a future employment area, and initially concept planned in 2010 and part of the 2012 Regional Industrial Site Readiness project. This project will refine the infrastructure needs for development with potential phases for annexation, re-examine the market conditions to determine highest and best use, identify barriers to those sectors, and develop a marketing strategy with SW Tualatin Concept Plan.

Washington County project: A partnership with Washington County and the cities of Hillsboro, Forest Grove, Sherwood, Tualatin and Wilsonville, with assistance from the Port of Portland. This project utilizes the framework of the 2012 Regional Industrial Site Readiness Project to complete detailed site assessments for 15 large lot industrial sites within Washington County.

Funding Conditions:

- Funding conditions considered for these two projects in the same County with similar work scope of work:

ADDENDUM: ATTACHMENT B (COO Recommendations to Metro Council)
COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

*Funding conditions to be addressed in the Intergovernmental Agreement (IGA)

- Combine the two projects and state that Sherwood has to be studied for sure, as long as the direction to the jurisdictions is clear.
- Washington County and City of Sherwood should share information
- County and City should revise the scope of work and budget to match amount of award
- City must guarantee the match.

West Linn	Arch Bridge/Bolton Center	\$220,000 (Applicant Match: \$80,000)
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Project Description:

The City requests funding for a master plan and financing strategy for the Arch Bridge/Bolton area, identified as a town center in the Metro 2040 Growth Concept, to guide redevelopment in the area, to maximize the potential of the area, complement plans for the redevelopment of the former Blue Heron mill across the river, and avoid independent actions that may foreclose preferred redevelopment options for the area.

Clackamas County (Ranked #1)	Clackamas County Strategically Significant Employment Lands	\$200,000 (Applicant Match: \$273,110)
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Project Description:

Clackamas County has created an inventory of employment lands that has varying states of readiness. This Project will provide a better understanding of the investment required to make significant sites “development ready” as well as associated economic return, in order to ensure the County’s competitiveness.

Funding Conditions:

- Revise the scope of work and budget to match amount of award

ADDENDUM: ATTACHMENT B (COO Recommendations to Metro Council)
COMMUNITY PLANNING & DEVELOPMENT GRANTS RECIPIENTS, AMOUNTS, AND CONDITIONS*
FOR FUNDING FOR FY 2012-13 CYCLE

*Funding conditions to be addressed in the Intergovernmental Agreement (IGA)

Clackamas County (Ranked #3)	Clackamas Regional Center Area Performance Measures and Multi Modal Area Project	\$160,000 (Applicant Match: \$20,000)
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Project Description:

The Project will recommend alternative transportation system performance measures and the designation of a Multi-modal Mixed-use Area (MMA) for the Clackamas Regional Center Area as allowed by the Transportation Planning Rule. The Project may also recommend an alternate approach to transportation infrastructure funding within the MMA.

Funding Conditions:

- The County should identify upfront what MMA best practices information they get and commit to sharing with Metro so that region learns from it.



WASHINGTON COUNTY OREGON

August 15, 2013

Council President Tom Hughes
Metro Council
600 NE Grand Ave
Portland, Or 97232

Dear Council President Hughes and Metro Council:

I am writing to express Washington County's appreciation for Chief Operation Officer's recommendation for the partial funding for our Industrial Lands Analysis grant and to request that the Metro Council use a portion of the additional funding now available to fully fund our Community Planning and Development Grant request. Full funding will allow the County to fund assessments on all 15 large industrial sites in the five cities as proposed in our application. The assessments will help move these sites to market for traded-sector investment and help meet the regional need for large lot industrial sites.

The Chief Operating Officer's recommendation combines Washington County's Industrial Lands Analysis application with Sherwood's Tonquin Employment Area Analysis application at a funding level of \$255,000. This funding level is \$116,455 less than the total of \$371,455 requested by both applications. Washington County can work with the cities on this combined approach and an additional \$116,455 will ensure that the objectives of both applications can be met.

Both applications are important to position the region's ability to meet the needs for industrial development. Building on the initial regional industrial site readiness project, this effort will help document the infrastructure needs in the region and strengthen our position to seek additional investments to meet these needs.

Thank you for your consideration of our request to use the available funds to fully fund the two combined applications.

Sincerely,

Andrew Singelakis, AICP
Director of Land Use & Transportation

c: Washington County Board of County Commissioners

MAKING A
GREAT
PLACE



Oregon Convention Center Hotel

Metro Council Meeting

August 15, 2013



Teri Dresler, Metro Visitor Venues general manager


Scott Cruickshank, Oregon Convention Center

Cheryl Twete, Metro project manager

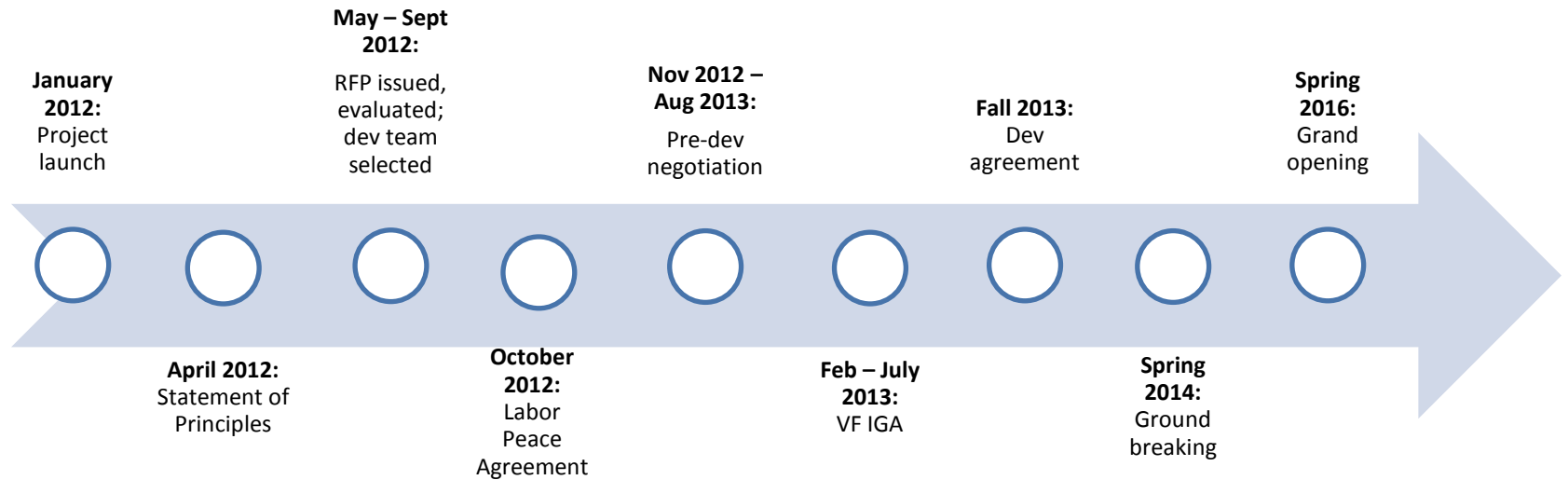
Ken Rust, PFM Group

Oregon Convention Center Hotel

Today's agenda:


- Resolution No. 13-4452: Amended and Restated Visitor Facility Intergovernmental Agreement
 - Resolution No. 13.4453: Preliminary development agreement (hotel term sheet)
- 

Oregon Convention Center Hotel



Oregon Convention Center Hotel

Visitor Facilities Intergovernmental Agreement (VF IGA)

- Established in 2001
 - Innovative, successful private/public collaboration
 - Modeled by cities across US
 - Transient lodging and vehicle rental taxes
 - Tourism promotion, convention marketing, visitor facilities
- 

Oregon Convention Center Hotel

Current IGA

Status quo

Certain elements out-of-date
(i.e., Fareless Square)

No new priorities

Continued loss of convention business

New IGA

Metro: hotel revenue bond authority

City: \$3 million in PGE Park refinance savings

City: New bucket \$500k

County: New bucket up to \$1 million

Strategic plan

Financial review

New IGA w/Hotel Built

Metro: hotel revenue bond authority

City: \$3 million in PGE Park refinance savings

City: New bucket \$500,000

County: New bucket up to \$1 million

Strategic plan

Financial review

Approximately \$1 million in new property taxes

\$11 million new income taxes

5-10 new conventions

3,000 new jobs

Oregon Convention Center Hotel

Preliminary Development Agreement (term sheet)

Certain key elements, others to be negotiated later:

- Location: North of the OCC
- Brand/size: 600 room Hyatt Regency
- Amenities: Extra ballroom and meeting spaces
- Operational requirements: Block of 500 rooms reserved for convention clients
- Construction requirements: LEED Silver or higher building standards
- Employment and contracting requirements: Business and workforce equity, MWESB, FOTA
- Cost: \$197.5 million

Oregon Convention Center Hotel

Preliminary Development Agreement (continued):

- Finance elements:

Private share – Approximately 60%

Mortenson/Hyatt:	\$119.5 million
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Public share – Approximately 10%

Metro (OCC reserves):	\$4 million
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PDC loan* (OCC URA):	\$4 million
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State lottery:	\$10 million
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Construction financing backed by room taxes – Approx 30%

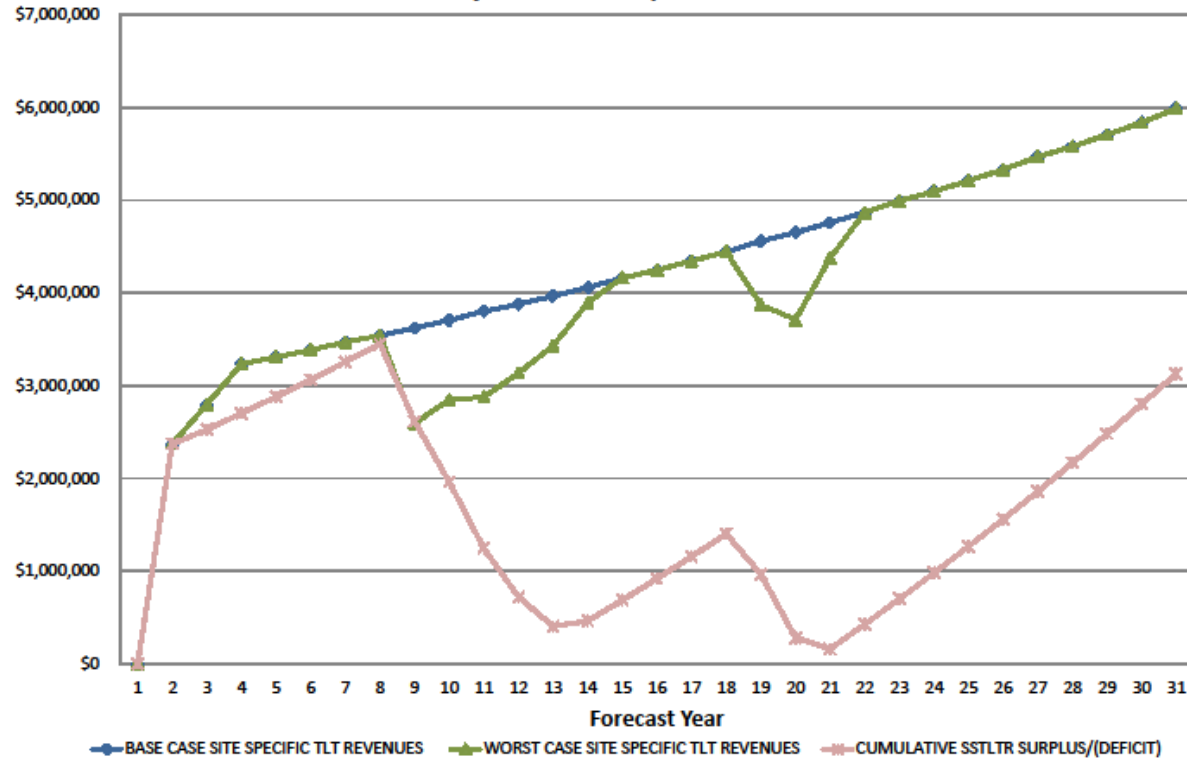
Revenue bonds**	\$60 million
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*PDC loan repaid by Mortenson/Hyatt

**Revenue bonds repaid by taxes paid by future visitors staying at OCC hotel

Oregon Convention Center Hotel

Site-Specific Transient Lodging Tax Revenues
Worst Case Projections and Impact on VFTA Balances



Oregon Convention Center Hotel

Public engagement events:

August 1: Oregon Convention Center open house

- Approximately 70 attendees
- 21 comment cards, 18 in support

August 8: Metro Council public hearing

- Testimony in support
 - Questions and issues raised about transaction
- 

Oregon Convention Center Hotel

Next steps:

Portland City Council September 2013

Multnomah County Commission

- Amendments to Visitor Facilities IGA

Development agreement negotiations Fall 2013

Metro Council consideration Winter 2013

Hotel construction Fall 2014

Grand opening Fall 2016



**VISITOR FACILITIES
INTERGOVERNMENTAL AGREEMENT**

This amended and restated intergovernmental agreement (the “Agreement” or “VFIGA”) is made among the City of Portland (the “City”), Multnomah County (the “County”) and Metro (each individually, a “Party” and collectively, the “Parties”), and shall be in effect from the latest date of signature.

RECITALS

- A. The purpose of this Agreement is to support regional visitor facilities and visitor industry development in the Portland-Multnomah County area. The Parties have entered into this Agreement and related agreements to support regional tourism and spectator facilities, the visitor and hospitality industry, and to maximize the economic development benefits associated with visitor facilities, programs and services for the Portland-Multnomah County area. The Agreement and the Visitor Facilities Trust Account (“VFTA”) provide additional support to complement programs, investments and contributions made by all Parties for the health of our community and in support of visitor development.
- B. The Parties entered into the Visitor Facilities Intergovernmental Agreement, dated January 31, 2001 (the “2001 Agreement”), to implement the understandings and agreements contained in that certain Memorandum of Understanding dated September 14, 1999. This Agreement supersedes and fully replaces the 2001 Agreement.
- C. On or about April 26, 2001, the City, County and Metro entered into the Visitor Development Fund Services Agreement (“VDFSA”) with Visitor Development Fund, Inc., whose 15 member board includes two representatives from each of the City, County, and Metro, two members appointed by “Travel Portland” and nine members representing the hotel and car rental business sectors. The Parties intend to update and amend the VDFSA to conform with the amendments to this Agreement.
- D. On or about May 15, 2000, the City and Metro entered into the Amended Agreement Regarding Consolidation of Regional Convention, Trade, Spectator and Performing Arts Facilities Owned and Operated by the City of Portland and Metro (commonly called the Consolidation Agreement). Metro and the City expect to amend the Consolidation Agreement to conform with the amendments to this Agreement and to update other provisions of the Consolidation Agreement as needed.
- E. The Parties have previously entered into, and may amend to conform to the Agreement, the following agreements in order to carry out the Agreement: (i) intergovernmental agreement(s) between Metro and Tri Met regarding the provision of public transit passes for OCC visitors and (ii) intergovernmental agreement(s) between the City and County regarding collection of the transient lodgings tax.
- F. ORS 190.010 authorizes the Parties to enter into intergovernmental agreements to carry out their activities and functions.

- G. 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 Portland-Multnomah County area.
- H. The Oregon Convention Center (“OCC”) is owned and operated by Metro. The Portland Center for the Performing Arts (“PCPA”) is owned by the City and operated by Metro. JELD-WEN Field (the “Stadium”) and the “Rose Quarter Facilities” are owned by the City. In addition, Metro, the City, and the County own and operate a variety of other facilities and provide a variety of programs and services that support the purposes of this Agreement.
- I. All Parties have an interest in the maintenance and improvement of these regional visitor facilities and in the development of the visitor industry in the Portland-Multnomah County area. The Parties recognize that visitor development and the 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 in this Agreement require funding. The loss of funding for any item may threaten the viability of all of the other improvements, programs and services.
- J. The County has the authority to impose and levy a surcharge rate of 2.5% on the gross amounts of value paid to or received by the owners or operators of hotels, motels, and other lodging facilities for lodging of less than one month duration from occupants to support the purposes of this Agreement (the “VFTA TLT Surcharge”).
- K. The County has the authority to impose and levy a surcharge rate of 2.5% on the motor vehicle rental fee charged by a commercial company on vehicle rentals of 30 days or less to support the purposes of this Agreement (the “VFTA VRT Surcharge”).
- L. As provided in ORS Chapter 287A.310, the County is authorized to pledge the VFTA TLT Surcharge and the VFTA VRT Surcharge for bonds and other borrowings, including the City Bonds. The County intends to expand this authority to include the OCC Hotel Project Bonds that Metro anticipates issuing to support the development of an OCC Hotel Project.
- M. The County has the authority to impose and levy a surcharge rate of 3% on the gross amounts of value paid to or received by the owners or operators of hotels, motels, and other lodging facilities for lodging of less than one month duration from occupants (the “Excise Tax Fund TLT” or “ETF TLT”) for support of specified facilities and programs including the OCC, PCPA and the Regional Arts and Cultural Council.
- N. Metro receives a portion of the Excise Tax Fund TLT for OCC operating support that is governed by a separate intergovernmental agreement between the County and Metro, entered into on April 1, 2000 (the “ETF IGA”). Under the terms of the ETF IGA, one-third of the ETF TLT allocation for OCC operating support is to be dedicated to OCC marketing efforts. Metro reaffirms its commitment to make every possible effort to

expend at least one third of the Excise Tax Fund TLT it receives from the County for OCC operating support on OCC marketing efforts.

- O. The City has the authority to impose and levy transient lodging taxes, for (i) general City purposes and (ii) the promotion of convention business and tourism, on the gross amounts of value paid to or received by the owners or operators of hotels, motels, and other lodging facilities for lodging of less than one month duration from occupants (the “City 5% TLT” and “City 1% TLT”, respectively).
- P. The City has issued City Bonds, and Metro intends to issue OCC Hotel Project Bonds, on the condition that the County imposes and maintains the VFTA TLT Surcharge and/or the VFTA VRT Surcharge for the life of the Bonds.
- Q. The County is willing to impose and maintain the tax surcharges on transient lodging and/or vehicle rentals described in Recitals J and K above as long as necessary to pay or defease the Bonds issued under this Agreement. At such time as any of these surcharges are no longer necessary to pay or defease bonds issued under this Agreement, the Board of County Commissioners, at its sole discretion, may choose to terminate or modify the surcharges.
- R. Since the 2001 Agreement was approved, the VFTA and the 2001 Agreement have successfully supported regional efforts to bring visitors and conventions to the Portland-Multnomah County region, support the operations of and improvements to regional visitor and spectator facilities including the OCC, PCPA and the Stadium, and increase visitor development and economic development opportunities in the region through both direct and indirect support for facilities, programs and services.
- S. In 2011, the City refunded the OCC Completion Bonds and the PCPA Bonds to take advantage of improved market conditions, resulting in debt service savings to the VFTA of approximately \$875,000 annually through Fiscal Year 2029-30.
- T. In addition, since the 2001 Agreement was approved, a number of changes have occurred, or are proposed to occur, to business operations and debt obligations, resulting in changes to financing opportunities and efficiencies, revised programmatic services, and modified roles and responsibilities of the Parties. These changes are reflected in the clarification and expansion of the funding priorities contained in this Agreement.
- U. The Parties share a common understanding that (i) the OCC has a fundamental competitive disadvantage due to its lack of an adjacent convention center hotel, and (ii) public investment is necessary to the development of a privately owned, financed, constructed and operated hotel adjacent to the OCC to serve national convention clients and provide a quality hotel of the type and scale, including the necessary meeting and ballroom facilities, to bring additional national convention business to the OCC.
- V. Metro intends to negotiate an OCC Hotel Project Development Agreement, including a commitment of public funds, which will result in development of a convention center hotel and improve the competitiveness of the OCC. In other related agreements, Metro will endeavor to negotiate key terms that address OCC competitiveness, such as a

minimum room block for a length of time consistent with the anticipated OCC Hotel Project Bonds, while at the same time taking into consideration the interests of and impacts on existing hotels and service providers. Metro believes that the overall hotel market will grow and strengthen due to the new and additional conventions at the OCC

- W. In addition to private funds in excess of \$115 million and the commitment of site-specific transient lodging taxes generated by the OCC Hotel Project, which is described in this Agreement, development of the OCC Hotel Project is expected to be supported by public contributions including a \$4 million grant from Metro, a \$4 million loan from the Portland Development Commission and \$10 million from State of Oregon lottery funds.
- X. To clearly indicate support for an appropriate level of public investment in a privately-owned convention center hotel, the Parties have included in this Agreement, provisions for the use of non-VFTA Site-Specific Transient Lodging Tax Revenues (“SSTLTR”) and the VFTA for bond financing of a portion of the cost of constructing such hotel. Given that negotiations on the development terms are not complete, specified actions necessary to fully implement this Agreement are provisional and tied to the outcome of the completion by Metro of an OCC Hotel Project Development Agreement.
- Y. A portion of the development of the OCC Hotel Project will be financed via revenue bonds issued by Metro (the “OCC Hotel Project Bonds”), and Metro is willing to provide a limited financial pledge of support for the OCC Hotel Project Bonds on the condition that the County continues to impose and maintain the VFTA TLT Surcharge and Excise Tax Fund TLT and the City continues to impose and maintain the City 5% TLT and City 1% TLT for the life of the OCC Hotel Project Bonds.
- Z. The Parties intend to utilize the stability and resource capacity of the VFTA to obtain favorable terms for the OCC Hotel Project Bonds, which will benefit from the strength and duration of the VFTA system, and create the most efficient bond financing mechanism for public investment in the OCC Hotel Project. The Parties have included in this Agreement mechanisms intended to assure the continued health and strength of the VFTA system as a whole.
- AA. The Parties agree to redirect the non-VFTA SSTLTR generated by the OCC Hotel Project into the VFTA and that the amount and repayment structure of the OCC Hotel Project Bonds will be based upon the SSTLTR as set forth herein.
- BB. The Parties agree that, based on the current projections for the OCC Hotel Project, the entire VFTA system benefits from the inclusion of the non-VFTA SSTLTR in the VFTA because total revenues are increased and SSTLTR above the amount necessary for OCC Hotel Project Bond repayment, if any, will accrue to the VFTA.
- CC. The Parties agree that the VFTA system will benefit from more frequent and consistent financial review, and to achieve this outcome, have included in this Agreement the creation of a Financial Review Team with specified duties and tasks.

- DD. The Parties agree that the VFTA system will benefit from the development and ongoing maintenance of a Visitor Development Strategic Plan, and to achieve that outcome, have included in this Agreement a commitment to create and maintain such a plan.
- EE. The Parties agree that periodic review of this Agreement by the Parties is valuable to maintain its support of regional visitor facilities and visitor industry development in the Portland-Multnomah County area, and have included in this Agreement a commitment to discuss the terms of this Agreement periodically.

AGREEMENT

1. DEFINITIONS

“2001 Agreement” is defined in Recital B.

“Additional OCC Operating Support” is defined in Section 3.3.5.1.

“Administrative Fee” means the annual fee paid to the County as the Trustee and for administering the VFTA. The fee is equal to 0.7% of the gross annual revenues deposited in the VFTA from all sources.

“Agreement” or “VFIGA” means this 2013 amended and restated Visitor Facilities Intergovernmental Agreement.

“Beneficiaries” is defined in Section 3.2.

“Board” or “Visitor Development Fund, Inc. Board” means the duly appointed Board of Directors for VDFI, acting in accordance with the VDFSAs and the organization’s bylaws in exercising their responsibilities, including but not limited to decision-making and allocation of funds described in Sections 3.3.5 and 3.3.9.

“Bonds” mean, collectively, the Stadium Bonds, the Convention Center Completion Bonds, the PCPA Bonds, and the OCC Hotel Project Bonds, if such OCC Hotel Project Bonds are issued in the future consistent with Section 6.2.

“Bond Redemption Reserve” or “BRR” is defined in Section 3.3.13.

“City CAO” means the Chief Administrative Officer of the City of Portland.

“City 1% TLT” means the 1% transient lodging tax that the City is authorized to collect for the promotion of convention business and tourism under Portland City Charter Section 7-113.2 and Portland City Code Chapter 6.04, and which is a non-VFTA tax.

“City 5% TLT” means the 5% transient lodging tax that the City is authorized to collect for general purposes under Portland City Charter Section 7-113.1 and Portland City Code Chapter 6.04, and which is a non-VFTA tax.

“City Bonds” means, collectively, the Stadium Bonds, the Convention Center Completion Bonds, and the PCPA Bonds.

“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.

“County CFO” means the Chief Financial Officer of Multnomah County.

“CPI” means the Consumer Price Index, Urban, All Consumers, in the Portland-Salem, OR-WA area, or any successor index, as issued by the U.S. Department of Labor, Bureau of Labor Statistics.

“Dispute Resolution Committee” or “DRC” is defined in Section 8.1.1.

“Early Termination Date” is defined in Section 9.1.

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

“Escalated” is defined in Section 3.4.

“ETF IGA” is defined in Recital N.

“Excise Tax Fund TLT” or “ETF TLT” means the 3% transient lodging surcharge that the County collects under the authority of Multnomah County Code 11.401(D) and is utilized to support specified facilities and programs including the OCC, PCPA and the Regional Arts and Cultural Council, and which is a non-VFTA tax.

“Financial Review Team” or “FRT” is described in Section 7.2.

“Fiscal Year” or “FY” is defined as the twelve month period beginning July 1 and continuing through June 30.

“Metro COO” means the Chief Operating Officer of Metro.

“Net Revenues” mean the collections (including delinquent interest and penalties) from (1) the VFTA TLT Surcharge; (2) the VFTA VRT Surcharge; (3) the SSTLTR; and (4) earnings on amounts in the VFTA, less the Administrative Fee. Net Revenues does not include any amounts required to pay refunds of surcharge taxes, including interest, or other charges required by state law.

“OCC” means the Oregon Convention Center located in Portland, Oregon.

“OCC Annual Budget” is defined in Section 3.3.5.1.

“OCC Bonds” or “Convention Center Completion Bonds” means the City’s Limited Tax Revenue Bonds, 2001 Series B and Limited Tax Revenue Refunding Bonds, 2011 Series

A and any bonds issued to refund those bonds, including refunding of such refunding bonds.

“OCC Capital Improvement Expenses” means the costs associated with renewal and replacement of existing assets, as well as investments in new capital projects, that enhance the marketability of the OCC and maintain its quality and competitiveness.

“OCC Expenses” is defined in Section 3.3.5.1.

“OCC Hotel Project” means the proposed hotel to be located adjacent to the Oregon Convention Center, which will (i) function as the lead hotel for national marketing and convention purposes, (ii) include the necessary meeting and ballroom facilities, and (iii) provide a dedicated room block agreement for 500 rooms needed to bring additional national convention business to the OCC.

“OCC Hotel Project Bonds” means the revenue bonds or other debt obligations that may be issued by Metro consistent with Section 6.2 to fund a portion of the construction of the OCC Hotel Project, and any bonds issued to refund those bonds.

“OCC Hotel Project Development Agreement” means a contractual agreement between Metro and a developer for the development of a convention center hotel. Other related agreements between Metro and a hotel developer and/or hotel operator will address terms of the hotel operations (e.g. parking, room blocks and room rate impacts on the market).

“OCC Operating Expenses” means all costs and expenses of operating the OCC during a given Fiscal Year, consistent with the purposes of this Agreement or in accordance with an OCC Annual Budget.

“OCC Operating Revenues” means, for any given Fiscal Year, the gross cash receipts received by the OCC with respect to operations of the OCC.

“OCC Operating Support” is defined in Section 3.3.5.1.

“OCC Revenues” is defined in Section 3.3.5.1.

“Party” or “Parties” means the City of Portland, Multnomah County and Metro.

“PCPA” means the Portland Center for the Performing Arts, which includes the Arlene Schnitzer Concert Hall, the Ira Keller Auditorium and the Antoinette Hatfield Hall.

“PCPA Bonds” mean the City’s Full Faith and Credit Loan Agreement (PCPA Refunding) dated December 15, 2011, and any bonds issued to refund those bonds, including any refunding of such refunding bonds.

“Restricted Reserve” or “RR” is defined as Section 3.3.12.

“Rose Quarter Facilities” means the Veterans Memorial Coliseum and the Rose Quarter properties owned by the City of Portland, by and through the Office of Management and Finance.

“Spectator Facilities Fund Revenues” is defined in Section 5.3.1.

“SSTLTR” or “Site-Specific Transient Lodging Tax Revenues” means the transient lodging taxes collected from the users of the OCC Hotel Project based on the City 1% TLT, City 5% TLT, the Excise Tax Fund TLT, which are all non-VFTA taxes, and the VFTA TLT Surcharge.

“Stadium” means JELD-WEN Field (formerly known as PGE Park and Civic Stadium), the improvements of which were originally funded by the Stadium Bonds.

“Stadium Bonds” means the City’s Limited Tax Revenue Bonds, 2001 Series D issued by the City to fund the Stadium improvements, and any bonds issued to refund those bonds, including any refunding of such refunding bonds.

“Strategic Plan” or “Visitor Development Strategic Plan” is defined in Section 7.3.

“Termination Date” is defined in Section 9.2.

“TLT Net Revenues” means the Net Revenues less the VFTA VRT Surcharge.

“Travel Portland” means the Oregon non-profit corporation organized for the primary purpose of promotion, solicitation, procurement and service of convention business and tourism for the Multnomah County area. Travel Portland was formerly known as Portland Oregon Visitors Association.

“Trustee” means the County CFO, or his designee.

“VDF” or “Visitor Development Fund” is defined in Section 3.3.9.

“VDF1” is defined in Section 3.3.9.1.

“VDF2” is defined in Section 3.3.9.2.

“VDFI” or “Visitor Development Fund, Inc.” means the non-profit corporation formed to budget for and administer the expenditure of certain VFTA allocations as described in the Visitor Development Fund Services Agreement.

“VDFS” or “Visitor Development Fund Services Agreement” is defined in Recital C.

“VFTA” or “Visitors Facilities Trust Account” means the County tax account that (i) receives the VFTA TLT Surcharge and the VFTA VRT Surcharge collections, (ii) will be modified to receive the non-VFTA SSTLTR, and (iii) disburses Net Revenues and TLT Net Revenues and other allocated disbursements as provided in this Agreement. The

VFTA allocations are set forth in Section 3.3 and are sometimes referred to as the “bucket system”.

“VFTA TLT Surcharge” is defined in Section 2.1 and is a VFTA tax.

“VFTA VRT Surcharge” is defined in Section 2.2 and is a VFTA tax.

“VFTA Fund Forecast” is defined in Section 4.3.3.

“Year One” means Fiscal Year 2013-14.

2. FUNDING AGREEMENTS

2.1. Multnomah County Code 11.401(E) imposes a surcharge of 2.5% on the gross amounts of value paid to or received by the owners or operators of hotels, motels, and other lodging facilities for lodging of less than one month duration from occupants (the “VFTA TLT Surcharge”). The County will deposit the tax collections from the VFTA TLT Surcharge in the VFTA as provided in this Agreement.

2.2. Multnomah County Code 11.301(C) imposes a surcharge of 2.5% on the motor vehicle rental fee charged by commercial companies on vehicle rentals of 30 days or less (the “VFTA VRT Surcharge”). The County will deposit the tax collections from the VFTA VRT Surcharge in the VFTA as provided in this Agreement.

2.3. The County, as set forth in Section 4.1.3, will amend Multnomah County Code, as needed, to conform to the terms of this Agreement and transfer the SSSLTR.

2.4. The City will transfer SSSLTR as described in Section 5.4.

3. VISITOR FACILITIES TRUST ACCOUNT

3.1. To implement this Agreement, the County has established a Visitor Facilities Trust Account (VFTA) that is held separate from all other County funds. The County is the Trustee and will deposit into the VFTA (i) the revenues described in Sections 2.1 through 2.4 immediately upon receipt, and (ii) the earnings on the amounts held in the VFTA and delinquent interest and penalties that are collected, periodically. The County will disburse funds from the VFTA only as provided in the Agreement.

3.2. The Beneficiaries of the VFTA are:

3.2.1. The City of Portland,

3.2.2. The owners of the Bonds,

3.2.3. Metro,

3.2.4. The County, and

3.2.5. The Visitor Development Fund, Inc.

3.3. The Parties agree that each Fiscal Year, beginning in Year One and continuing until all Bonds are paid or defeased, the Trustee, after paying the Administrative Fee, refunds of surcharge taxes, including interest, and other charges required by state law, will apply funds in the VFTA solely for the purposes and in the order of priority described in Sections 3.3.1 through 3.3.13 and in accordance with the payment provisions of Section 4.2. VFTA allocations will not be distributed pro rata. Reimbursements are subject to the provisions of Section 4.2.6.

For debt service payments on the Bonds, the order of priority is described in Sections 3.3.1 through 3.3.4. Payments described in Sections 3.3.1 through 3.3.4 shall be made to the issuer of the Bonds, or their trustee or paying agent, not later than the dates that the Bond documents require that payments be made to the trustee or paying agent for the Bonds.

To fund programs, services, operations, capital improvements, and marketing that support the purposes of this Agreement, the order of priority is described in Sections 3.3.5 through 3.3.11. Unless otherwise stated, allocations in these Sections are as of Year One. Specified allocations are subject to being Escalated as defined in Section 3.4. The Parties acknowledge that the TLT Net Revenues are deemed allocated first to pay debt service payments on the Bonds.

For the purposes of creating and maintaining reserves, the order of priority in funding a Restricted Reserve (RR) and Bond Redemption Reserve (BRR) is described in Sections 3.3.12 and 3.3.13.

3.3.1. OCC Bonds. 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), so long as OCC Bonds remain outstanding, 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 OCC Bonds.

3.3.2. PCPA Bonds. Second, to the City the amount necessary to pay scheduled debt service on the PCPA Bonds (including any mandatory sinking fund or redemption payments), so long as PCPA Bonds remain outstanding, 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.

3.3.3. Stadium Bonds. Third, to the City the amount certified by the City as necessary after application of Spectator Facilities Fund Revenues, as established in Section 5.3.1, to pay scheduled debt service on the Stadium Bonds (including any mandatory sinking fund or redemption payments), so long as Stadium Bonds remain outstanding, and any amounts required to reimburse the City for debt service it was required to pay from sources other than Spectator Fund Revenues in

previous years in which insufficient funds were available in the VFTA to pay debt service when due on the Stadium Bonds.

3.3.4. OCC Hotel Project Bonds. Fourth, to Metro, the amount necessary to pay scheduled debt service on OCC Hotel Project Bonds (including any mandatory sinking fund or redemption payments), if such bonds are issued as described in Section 6.2, so long as OCC Hotel Project Bonds remain outstanding.

3.3.5. OCC Operating Support. Fifth, to Metro an amount not to exceed One Million, Two Hundred Fifty Thousand Dollars (\$1,250,000), Escalated, for OCC Operating Support to maintain the OCC's competitiveness. An amount for Additional OCC Operating Support may also be requested by Metro annually. The amount of the OCC Operating Support and Additional OCC Operating Support, if any, will be established and reviewed as provided below.

3.3.5.1. No later than ninety (90) days prior to the start of each Fiscal Year, the Metro COO shall prepare and transmit to the Board a proposed preliminary budget (the "OCC Annual Budget"), which may be modified during Metro's budget process. The proposed preliminary OCC Annual Budget shall set forth in reasonable detail (i) anticipated OCC Operating Revenues and anticipated OCC Excise Tax Revenues for that Fiscal Year (collectively, "OCC Revenues"), (ii) anticipated OCC Operating Expenses and any proposed OCC Capital Improvement Expenses (collectively, "OCC Expenses"), and (iii) a request for VFTA funds for OCC Operating Support for the difference between the OCC Revenues and OCC Expenses up to One Million, Two Hundred Fifty Thousand Dollars (\$1,250,000), Escalated. If the difference between the OCC Revenues and OCC Expenses for that Fiscal Year exceeds One Million, Two Hundred Fifty Thousand Dollars (\$1,250,000), Escalated, a concurrent request for "Additional OCC Operating Support" can be submitted and considered consistent with Sections 3.3.5.2 and 3.3.5.6.

3.3.5.2. A request for Additional OCC Operating Support will be provided by Metro to the Financial Review Team at least ten (10) days prior to being submitted to the Board. The FRT shall review and analyze the request and provide advice to the Board as described in Task 2A of Attachment A.

3.3.5.3. At the time the proposed OCC Annual Budget is transmitted to the Board, the Metro COO will notify the City and County of the proposed OCC Operating Support amount and the requested Additional OCC Operating Support amount, if any. Unless the City, County or the Visitor Development Fund, Inc. Board give notice of objection to the proposed OCC Operating Support amount within 60 days of the Metro notice, the Metro Council may thereafter adopt the proposed OCC Annual Budget that includes an OCC Operating Support, up to the amount proposed by the Metro COO. If either the City, acting through its Mayor,

the County acting through its Chair, or the Visitor Development Fund, Inc. Board, acting through a vote of its authorized membership, objects to the proposed OCC Operating Support amount, the matter will be referred to the Dispute Resolution Committee and the dispute resolution process described in Section 8.

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

3.3.5.5. If the Dispute Resolution Committee does not approve any OCC Operating Support, then no VFTA funds shall be allocated.

3.3.5.6. A request of Additional OCC Operating Support will be subject to specific action by the Board, acting through a vote of its authorized membership, to approve, deny or reduce the allocation. The standards for the Board's decision shall be whether approval of Additional OCC Operating Support in the specified amount will (i) fulfill the purposes of this Agreement and (ii) allow for other obligation of this Agreement to be met. The decision of the Board in this Section 3.3.5.6 is subject to the dispute resolution process described in Section 8.

3.3.5.7. If the process described in Sections 3.3.5.1 through 3.3.5.6 has been followed, and an amount for OCC Operating Support and Additional OCC Operating Support, if any, has been approved, upon adoption by the Metro Council of an annual budget that includes OCC Operating Support and Additional OCC Operating Support, the Metro COO may transmit the adopted budget to the County, who will pay the authorized amount for OCC Operating Support and Additional OCC Operating Support, if any, from the VFTA, as provided in this Agreement.

3.3.5.8. At the end of any Fiscal Year in which the OCC Operating Support and Additional OCC Operating Support, if any, is not fully expended to meet obligations of the OCC Annual Budget, the remaining funds shall be deposited by Metro in an OCC reserve fund dedicated for future capital or operational needs.

3.3.5.9. Notwithstanding Section 3.3.5, the amount for OCC Operating Support authorized for FY 2013-14 shall be One Million, Four Hundred Thirty-Nine Thousand and Eight Hundred Dollars (\$1,439,800). The process described in Sections 3.3.5.1 through 3.3.5.6 shall not apply in FY 2013-14.

3.3.6. County Visitor Facilities and Operations Support. Sixth, to the County, except as described in Sections 3.3.6.1 through 3.3.6.3, the amount of Five

Hundred Thousand Dollars (\$500,000), Escalated, to fund operations and capital improvements supporting the purposes of this Agreement.

3.3.6.1. For FY 2013-14, the amount shall be Two Hundred Fifty Thousand Dollars (\$250,000).

3.3.6.2. Beginning in FY 2017-18 and continuing through FY 2020-21, the amount shall reset to Seven Hundred Fifty Thousand Dollars (\$750,000). The starting date of this increase shall be subject to review and confirmation by the Financial Review Team based on the sufficiency of VFTA revenues to cover the obligations of the Agreement, as described in Task 2B of Attachment A. The increased annual allocation shall be Escalated beginning the year in which the increase is confirmed by the Financial Review Team.

3.3.6.3. Beginning in FY 2021-22, the amount shall reset to One Million Dollars (\$1,000,000). The starting date of this increase shall be subject to review and confirmation by the Financial Review Team based on the sufficiency of VFTA revenues to cover the obligations of the Agreement, as described in Task 2B of Attachment A. The increased annual allocation shall be Escalated beginning the year in which the increase is confirmed by the Financial Review Team.

3.3.7. Enhanced OCC Marketing Support. Seventh, to Metro an amount for enhanced convention center marketing as follows:

3.3.7.1. For FY 2013-14, and annually until Metro issues OCC Hotel Project Bonds and an OCC Hotel Project has been in operation for eighteen (18) consecutive months, the amount of Four Hundred Fifty Thousand Dollars (\$450,000), Escalated.

3.3.7.2. Beginning with the third Fiscal Year after the OCC Hotel Project has been in operation for eighteen (18) consecutive months, and only in the event Metro issues OCC Hotel Project Bonds as described in Section 6.2, the allocation for Enhanced OCC Marketing Support shall be reduced to the amount of One Hundred Seventy-Five Thousand Dollars (\$175,000), Escalated, for as long as the OCC Hotel Project Bonds remain outstanding.

3.3.8. Convention Visitor Public Transit Passes. Eighth, to the entity contractually obligated to pay TriMet, the amount actually paid, up to Three Hundred Ninety Thousand Dollars (\$390,000), Escalated, for convention visitor public transit passes, and any amount required to reimburse that entity for costs up to Three Hundred Ninety Thousand Dollars (\$390,000), Escalated, per Fiscal Year that the entity was required to pay to TriMet in previous years in which insufficient funds were available in the VFTA to pay to that entity the amount allowed in this Section 3.3.8.

3.3.9. Visitor Development Fund. Ninth, to VDFI, to be deposited in the “Visitor Development Fund” (or “VDF”) for convention and tourism marketing purposes, separately into two subaccounts to be used as follows:

3.3.9.1. Subaccount Visitor Development Fund One (“VDF1”), the amount of Six Hundred Forty-Five Thousand Dollars (\$645,000), Escalated.

3.3.9.2. Subaccount Visitor Development Fund Two (“VDF2”), the amount of Eight Hundred Seventy-Five Thousand Dollars (\$875,000), to be deposited annually through FY 2029-30. The VDF2 allocation shall not be Escalated. Any unobligated VDF2 funds above \$250,000 annually shall be refunded to the County and deposited to the RR or BRR, as described in Sections 3.3.12 and 3.3.13.

3.3.10. PCPA Operations Support. Tenth, to Metro, for so long as Metro operates PCPA, the amount of Six Hundred Forty-Five Thousand Dollars (\$645,000), Escalated.

3.3.11. Rose Quarter Facilities and City Tourism Support. Eleventh, to the City, the amount of Five Hundred Thousand Dollars (\$500,000), Escalated, to fund Rose Quarter Facilities operations and capital improvements, and activities supporting the purposes of this Agreement.

3.3.11.1. Notwithstanding Section 3.3.11, for FY 2013-14, the amount of Two Hundred Fifty Thousand Dollars (\$250,000).

3.3.12. Restricted Reserve. Twelfth, to a “Restricted Reserve” (or “RR”), which funds shall be reserved for use in making disbursements in future years if Net Revenues and TLT Net Revenues are insufficient to pay all disbursements required for Sections 3.3.1 through 3.3.11. The minimum amount to be established and maintained in the RR shall be reviewed annually by the Financial Review Team, as described in Task 3A of Attachment A, and shall be equal to 1.5 times the maximum annual payments forecast to be expended for the required allocations in Sections 3.3.5 through 3.3.11 during the next five Fiscal Years in the VFTA Fund Forecast.

3.3.13. Bond Redemption Reserve. Thirteenth, any Net Revenues or TLT Net Revenues in excess of the amount required to be deposited in the RR will be deposited into a “Bond Redemption Reserve” (or “BRR”), and shall be used exclusively to redeem Bonds prior to their stated maturity date and at their earliest optional redemption date. Funds on deposit in the BRR will be used to call Bonds in the same priority order as shown in Sections 3.3.1 through 3.3.4, or as otherwise recommended by the Financial Review Team as described in Task 3B of Attachment A.

3.4. Allocations Subject to Being Escalated. “Escalated” means an annual increase to a stated amount based on the change in the CPI between the second half of the prior

calendar year compared to the second half of the year immediately preceding the prior calendar year. For example, for Fiscal Year 2014-2015 (July 1, 2014 – June 30, 2015), each of the allocations will be multiplied by a fraction, the numerator of which is the CPI for the second half of 2013 (July 1 – December 31, 2013) and the denominator of which is the CPI for the second half of 2012 (July 1 – December 31, 2012). Escalation for all allocation amounts in Sections 3.3.5 through 3.3.11 begins in Year One and continues annually thereafter unless otherwise stated. The Trustee shall calculate the Escalated amount for each Escalated allocation in Sections 3.3.5 through 3.3.11 at least one-hundred (100) days prior to the start of each Fiscal Year.

3.5. A periodic review of the VFTA cash flows and the VFTA Fund Forecast shall be performed by the Financial Review Team as described in Task 1 of Attachment A.

4. COUNTY OBLIGATIONS

4.1. Dedication of Net Revenues, TLT Net Revenues, and SSSLTR.

4.1.1. The County acknowledges that the City has issued and Metro intends to issue Bonds in reliance upon and secured in part by the Net Revenues and TLT Net Revenues.

4.1.2. The County commits to deposit into the VFTA (i) the tax collections from the VFTA TLT Surcharge and the VFTA VRT Surcharge and (ii) the SSSLTR, once these are tax collections are redirected by the City and County to the VFTA.

4.1.3. Within ninety (90) days of execution of this Agreement, the County will adopt an ordinance amending Multnomah County Code Chapter 11 consistent with this Agreement. However, the amendments to enable SSSLTR from the Excise Tax Fund TLT of the OCC Hotel Project to be redirected to the VFTA and to allow the VFTA to receive the non-VFTA SSSLTR shall be contingent upon Metro signing an OCC Hotel Project Development Agreement consistent with Section 6.2.

4.1.4. The County pledges the Net Revenues to pay the City Bonds. The pledge is valid and binding from April 1, 2000, and will remain in effect until the City 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. The County's obligations under this Section 4.1.4 are limited solely to the Net Revenues and this Agreement is not "bonded indebtedness" within the meaning of Section 10, Article XI of the Oregon Constitution or as described in ORS 287A.105.

4.1.5. The County pledges the TLT Net Revenues to pay the OCC Hotel Project Bonds. The pledge is valid and binding from the date Metro signs an OCC Hotel Project Development Agreement, and will remain in effect until the OCC Hotel Project Bonds are fully paid. The TLT Net Revenues pledged are immediately subject to the lien of the pledge, and, except as provided in Section 4.1.4, that lien is, and will remain, superior to other claims and liens. The County's obligations

under this Section 4.1.5 are limited solely to the TLT Net Revenues and this Agreement is not “bonded indebtedness” within the meaning of Section 10, Article XI of the Oregon Constitution or as described in ORS 287A.105.

4.1.6. The City may assign the County’s pledge of the Net Revenues for the benefit of the owners of the City Bonds, and Metro may assign the County’s pledge of the TLT Net Revenues for the benefit of the owners of the OCC Hotel Project Bonds.

4.1.7. The County may make further subordinate pledges of the 14.5% base vehicle rental taxes collected under Multnomah County Code 11.301(B). Until the Bonds are paid or defeased, the County will not grant any additional liens on the Net Revenues or TLT Net Revenues.

4.1.8. Pursuant to the authority of ORS 287A.325, the County hereby agrees that it will:

4.1.8.1. Maintain the VFTA TLT Surcharge and the VFTA VRT Surcharge in effect until all City Bonds have been paid or the County has transferred sufficient funds to the City to defease all the City Bonds.

4.1.8.2. Maintain the VFTA TLT Surcharge and the Excise Tax Fund TLT in effect until all OCC Hotel Project Bonds have been paid or the County has transferred sufficient funds to Metro to defease the OCC Hotel Project Bonds.

4.2. Payment from the VFTA.

4.2.1. The County has established and will maintain a VFTA that complies with the terms of this Agreement.

4.2.2. After paying the Administrative Fee, refunds of surcharge taxes, including interest, and other charges required by state law, the Trustee will apply funds in the VFTA solely for the purposes and in the order of priority described in Sections 3.3.1 through 3.3.13.

4.2.3. The County will make payments (i) to the City for the City Bonds according to the established bond payment schedule, and to Metro, or the bond trustee or paying agent, for the OCC Hotel Project Bonds, if such bonds are issued, according to the established bond payment schedule, (ii) to Metro quarterly, and (iii) to all other Beneficiaries at the end of each Fiscal Year in the amounts described in Sections 3.3.5 through 3.3.11.

4.2.4. The County will deposit into the reserves the amount required by Sections 3.3.12 and 3.3.13.

4.2.5. For each allocation amount in Section 3.3, if there are insufficient funds flowing into the VFTA to fully fund all allocations, the allocations will be funded from the Restricted Reserve in the same priority order stated in Section 3.3.

4.2.6. Reimbursements from the VFTA will occur as follows:

4.2.6.1. If there are insufficient funds in the VFTA in a Fiscal Year to pay the debt service allocations in Section 3.3.1 through 3.3.3, the City will be reimbursed in subsequent Fiscal Years after the allocations in Sections 3.3.1 through 3.3.4 are paid for the current Fiscal Year and before allocations in Sections 3.3.5 through 3.3.11 are disbursed for the current Fiscal Year.

4.2.6.2. If there are insufficient funds in the VFTA in a Fiscal Year to pay the allocation in Section 3.3.8, the entity will be reimbursed in subsequent Fiscal Years after the allocations in Sections 3.3.1 through 3.3.4 are paid for the current Fiscal Year and after any City reimbursement as described in Section 4.2.6.1 is paid but before allocations in Sections 3.3.5 through 3.3.11 are disbursed for the current Fiscal Year.

4.2.6.3. As provided in Section 6.2.4, if Metro is required to reimburse the VFTA for a shortfall in SSSLTR, refunds to Metro from a subsequent SSSLTR reconciliation accounting credit balance shall be made based on confirmation by the Financial Review Team as described in Task 5 of Attachment A.

4.2.6.4. No other allocation in the Agreement shall be eligible for reimbursement.

4.2.6.5. Reimbursement amounts will be paid with interest. Interest on amounts to be paid under this Section 4.2.6 shall be at the State of Oregon 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 in which the payment requiring reimbursement was outstanding and continuing until the reimbursement payment date.

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

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

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

4.3.3. The County will prepare an annual forecast of projected income and expenses for the VFTA through the life of the Agreement (the "VFTA Fund

Forecast”) and make that forecast available for review by the Financial Review Team and to the Beneficiaries upon request.

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

4.3.5. The County may rely upon any certificate from the City or Metro reasonably believed by the County to be genuine and correct, and reasonably believed by the County to have been signed or sent by the City or Metro authorized representative.

4.3.6. 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.

4.3.7. This Agreement does not require the County to expend or risk its own funds (other than the Net Revenues or TLT Net Revenues) or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of its 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.

4.3.8. 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 into and become part of the VFTA.

4.4. The County will not take any action, or fail to take any action, that would result in any of the tax exempt Bonds becoming taxable.

5. CITY OBLIGATIONS

5.1. The City has issued limited tax revenue bonds, secured by the City’s full faith and credit and amortized over a period not to exceed 30 years from the original date of the 2001 Agreement (January 31, 2001), as follows:

5.1.1. The Convention Center Completion Bonds, dated February 13, 2001, in the amount of \$99,998,888.25 and as subsequently refunded, to fund the Convention Center Completion Project, including the costs of issuance;

5.1.2. The PCPA Bonds, dated May 15, 2001, in the amount of \$2,100,000 and as subsequently refunded, to fund capital improvements to PCPA, including costs of issuance; and

5.1.3. The Stadium Bonds, dated May 15, 2001, in the amount of \$35,000,000 to fund improvements to the Stadium, including costs of issuance. The City may issue bonds or other indebtedness to fund Stadium improvements in addition to the Stadium Bonds, however, such bonds shall not be repaid from the VFTA.

5.2. The City issued the City Bonds conditioned on the VFTA TLT Surcharge and the VFTA VRT Surcharge, the creation of the VFTA, and the County's dedication of the tax collections from the VFTA TLT Surcharge and the VFTA VRT Surcharge to the VFTA.

5.3. So long as Stadium Bonds are outstanding:

5.3.1. The City will provide for the payment of a portion of the debt service on the Stadium Bonds from resources of the City's Spectator Facilities Fund ("Spectator Facilities Fund Revenues"). The original allocation of Stadium Bond debt service was based on an annual license fee payment expected to be received by the City from a prior operator of the Stadium. The prior operator is no longer associated with the Stadium and the City no longer collects the annual license fee payment in the amounts anticipated in the original allocation. The Parties have agreed that the City's share of debt service on the Stadium Bonds is equal to the FY 2002-03 payment of \$944,320.00, increasing by 4.00 percent per year to a payment of \$1,397,824.28 for FY 2012-13. Beginning in FY 2013-14, the City's share of debt service on Stadium Bonds will continue to increase by 4.00 percent per year unless the Stadium Bonds are refinanced to produce debt service savings. If the Stadium Bonds are refinanced, the City's share of Stadium Bond debt service will be determined as described in Section 5.3.2.

5.3.2. If the Stadium bonds are refinanced:

5.3.2.1. The remaining nominal debt service will be allocated in a manner that provides a total minimum of \$3,000,000 in debt service savings to the City's Spectator Facilities Fund Revenues, with the balance of debt service savings allocated to the VFTA. If less than \$3,000,000 total nominal debt service savings is produced, the entire amount of the savings will be allocated to the benefit of the City's Spectator Facilities Fund Revenues, but in no case will the allocation of nominal debt service paid by the VFTA be increased above the annual amounts originally anticipated prior to refunding. The Parties may elect to realize debt service savings upfront or in some manner other than uniformly over the remaining life of the refunding bonds.

5.3.2.2. Notwithstanding the conditions described in Section 5.3.2.1, and prior to the City's commitment to execute Stadium bonds to refinance the outstanding Stadium Bonds, the Financial Review Team shall review and verify the final debt service on the Stadium Bond refunding as described in Task 4A of Attachment A.

5.3.3. The City will calculate and provide directly to the Board the amount of any VFTA TLT Surcharge the City estimates to have been collected within East County Cities in the prior Fiscal Year that was applied to pay debt service on the Stadium Bonds. This amount will be used for visitor development programs, services or projects that benefit the East County Cities.

5.4. If Metro has signed an OCC Hotel Project Development Agreement consistent with Section 6.2 and the County has amended the Multnomah County Code consistent with Section 4.1.3, then, beginning the first Fiscal Year SSSLTR is generated by the OCC Hotel Project, the City will transfer funds equal to the SSSLTR attributable to the City 5% TLT and collected pursuant to Portland City Code Chapter 6.04 to the County to deposit in the VFTA, and continuing for the duration that the OCC Hotel Project Bonds remain outstanding.

5.5. The City will not take any action, or fail to take any action, that would result in any of the tax exempt Bonds becoming taxable. The City will indemnify the Parties for any costs incurred by them from City action, or failure to take action, that makes the OCC Bonds or the PCPA Bonds taxable.

6. METRO OBLIGATIONS.

6.1. Metro will not take any action, or fail to take any action, that would result in the OCC Bonds or PCPA Bonds becoming taxable. Metro will indemnify the Parties for any costs incurred by the Parties from Metro action, or failure to take action, that makes the OCC Bonds or the PCPA Bonds taxable.

6.2. Metro intends to enter into an OCC Hotel Project Development Agreement and to issue OCC Hotel Project Bonds as follows:

6.2.1. In support of the OCC Hotel Project, and after the OCC Hotel Project Development Agreement is signed, Metro intends to issue OCC Hotel Project Bonds, which will be revenue bonds in an amount expected to provide not more than **\$60,000,000 of net proceeds** to fund a portion of the proposed OCC Hotel Project.

6.2.2. If Metro signs an OCC Hotel Project Development Agreement by December 31, 2018, and issues OCC Hotel Project Bonds, the OCC Hotel Project Bonds will be secured in part or in whole by TLT Net Revenues and will be amortized over a period not to exceed 30 years.

6.2.3. Prior to final pricing of the OCC Hotel Project Bonds, Metro shall submit the bond debt service to the Financial Review Team for review and verification as described in Task 4B of Attachment A.

6.2.4. Review and reconciliation of the SSSLTR and OCC Hotel Project Bond payments shall occur as described in Task 5 of Attachment A and as follows:

6.2.4.1. Within the first 180 days of every five Fiscal Years beginning in the sixth Fiscal Year following the opening of the OCC Hotel Project, and continuing for as long as the OCC Hotel Project Bonds are outstanding, the Financial Review Team shall undertake a reconciliation accounting review and analysis of the SSSLTR paid by the OCC Hotel Project. The Trustee may also initiate FRT review of the SSSLTR at any time the Restricted Reserve balance falls to, or is expected to fall to, 25%

or less of the minimum required in Section 3.3.11, or when the Restricted Reserve balance has declined for three consecutive Fiscal Years.

6.2.4.2. As a result of such review and reconciliation accounting, and if no funds are available in the Restricted Reserve, the FRT may determine that a Metro reimbursement payment to the VFTA is required. As described in Task 5 of Attachment A, the FRT shall determine the amount of any required reimbursement payment as long as it is no greater than the cumulative accounting debit balance. Metro shall make such reimbursement payment in equal annual installment payments over the ensuing three Fiscal Years, with such payments being made to the VFTA by the end of the second quarter of each Fiscal Year.

6.2.4.3. If a Metro reimbursement payment is required, and to the extent the installment payments have been paid, the cumulative accounting credit balance resulting from a future reconciliation calculation will be used to make a refund payment to Metro from the VFTA consistent with Section 4.2.6.3. Such refund payments will be paid to Metro by the end of the second quarter of the Fiscal Year following the reconciliation.

6.3. So long as OCC Hotel Project Bonds are outstanding, Metro shall, at least twelve (12) months prior to the call date of the OCC Hotel Project Bonds, consider opportunities for refunding the bonds and shall consider the advice of the FRT, as described in Task 6A of Attachment A, on OCC Hotel Project Bond refunding.

6.4. If any portion of the OCC Hotel Project Bonds is issued as tax-exempt bonds, Metro will not take any action, or fail to take any action, that would result in any of the tax-exempt portion of the OCC Hotel Project Bonds becoming taxable. Metro will indemnify the City, the County and the VFTA for any costs that result from a Metro action, or failure to take any action, that makes the OCC Hotel Project Bonds taxable. However, this language will not apply in the event that actions undertaken by Metro resulting in a change in tax status of the OCC Hotel Project Bonds results in net financial benefits to the VFTA as confirmed by the FRT in their analysis described in Task 6B of Attachment A.

7. JOINT OBLIGATIONS OF CITY, COUNTY AND METRO

7.1. Reporting on use of VFTA funds. Within ninety (90) days of the end of each Fiscal Year, upon request of the Board or any Party to this Agreement, each Party requested shall furnish to the Board and the other Parties, a summary statement of the Party's use of VFTA funds in the previous Fiscal Year.

7.2. Financial Review Team. The Parties agree that establishing a "Financial Review Team" (or "FRT") with specified tasks will enhance the VFTA system through more frequent and consistent financial review. The Parties agree to assign financial experts from each Party to perform certain financial review responsibilities on an ongoing and as needed basis in order to more actively monitor and manage VFTA resources, and to

encourage accountable and efficient application of those resources. The composition of the FRT and its specified tasks and authorities are as follows:

7.2.1. The FRT shall be composed of the City CAO, the County CFO, and the Metro COO, or their respective assigned designees. The Trustee shall convene the FRT as needed and may invite the Executive Vice President - Finance & Administration for Travel Portland to participate with the FRT in an advising capacity.

7.2.2. Attachment A to this Agreement specifies the tasks to be performed by the FRT including the intended action(s) to be taken, the timing and/or frequency for each task, and the deliverable(s) for each task. The level of authority delegated to the FRT is also specified for each task either in Attachment A or in this Agreement. A decision by the FRT shall require a consensus agreement by all members on any specified action; however, each FRT member may provide advice to their respective elected official (i.e. City Mayor, County Chair or Metro President). If action is required and consensus is not achieved in a timely manner, any FRT member may refer the matter to the dispute resolution process describe in Section 8.1

7.2.3. The role of the FRT is to provide financial analysis, advice and recommendations to the Parties. The FRT does not have the authority to change or amend any term of the Agreement. The FRT and its members individually may recommend amendments to this Agreement to the Parties, which amendments shall only be implemented upon agreement of the Parties.

7.3. Visitor Development Strategic Plan. The Parties agree to work together to prepare a Visitor Development Strategic Plan (“Strategic Plan”) to provide general direction for the future use of VFTA funds in support of tourism and the convention industry to maximize the economic benefits for the Portland-Multnomah County area. The Parties agree to include the other Beneficiaries to this Agreement in the development of a Strategic Plan. The development of the Strategic Plan will begin in January of the third year following the opening of the OCC Hotel Project or January 2020, whichever comes first. Nothing in this section prevents an earlier start to the development of the Strategic Plan if the Parties, through the City Mayor, the County Chair, and the Metro Council President, agree to begin the process earlier. Once a Strategic Plan is developed, the Parties will use their best efforts to update the Strategic Plan at least every five years for as long as this Agreement is in effect.

7.4. The Parties agree to convene to review this Agreement periodically. Beginning on July 1, 2018, any Party may request the Parties convene to consider amendments to this Agreement. If a request to consider amendments is made, the Parties shall agree to convene and, in a timely manner, shall assign adequate staff resources, establish a schedule for negotiations and participate in the negotiations in good faith.

7.5. The Parties shall provide written notice to VDFI sixty (60) days in advance of amending this Agreement. The notice shall include an explanation, with reasonable

particularity, of the proposed modification or amendment and, if available, a copy of the proposed modification or amendment.

8. DISPUTE RESOLUTION

8.1. If a dispute arises under this Agreement among the Parties, any Party, or the Board as described in Sections 3.3.5.3 and 3.3.5.6, may initiate the following dispute resolution process:

8.1.1. The initiating Party, or Board, will give written notice consistent with Section 10.2 to (a) the City Mayor, (b) the County Chair, (c) the Metro Council President and (d) the Board. The City Mayor, the County Chair and the Metro Council President, or their designees, will be the “Dispute Resolution Committee” (or “DRC”). The notice will identify the dispute for which the dispute process is initiated.

8.1.2. The 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.

8.1.3. Within 15 days of the notice, each Party and the Board may submit a written statement to the DRC stating the party’s position on the dispute.

8.1.4. Within 60 days of the notice, the DRC will decide on a resolution of the dispute and notify the Parties and Board of the resolution. Decisions of the DRC will be by majority vote. The Party that initiated the dispute shall be entitled to vote on the matter and shall not be deemed conflicted out of the decision.

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

9. TERMINATION AND REMEDIES

9.1. The County’s obligation to provide Net Revenues for the City Bonds shall terminate when all City Bonds are fully paid or defeased, and will end (i) no later than June 1, 2021, for the PCPA Bonds, (ii) no later than June 1, 2023, for the Stadium Bonds, and (iii) no later than June 1, 2030, for the OCC Bonds. If Metro does not issue OCC Hotel Project Bonds, as described in Section 6.2, this Agreement will terminate when all the City Bonds are paid or defeased (the “Early Termination Date”), and the Agreement may be extended beyond the Early Termination Date by agreement of the Parties.

9.2. The County’s obligation to provide TLT Net Revenues is tied to the OCC Hotel Project Bonds, which are expected to be outstanding beyond June 1, 2030. If Metro issues OCC Hotel Project Bonds consistent with Section 6.2, neither this Agreement nor the imposition of the VFTA TLT will terminate until all of the OCC Hotel Project Bonds are paid or defeased (the “Termination Date”), and the Agreement may be extended beyond the Termination Date by agreement of the Parties.

9.3. Notwithstanding Sections 9.1 and 9.2, all taxes subject to this Agreement that are imposed but not collected by the County on the Early Termination Date will be Net Revenues, and on the Termination Date will be TLT Net Revenues.

9.4. Before the Early Termination Date or Termination Date, this Agreement may only be terminated by the agreement in writing of all Parties.

9.5. So long as any of the City Bonds are outstanding and this Agreement is in effect, the obligations of the County to (i) collect the taxes imposed by Multnomah County Code 11.301(C) and 11.401(E), and (ii) maintain the Net Revenues and transfer them to the City to pay the City 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 or any amendment to this Agreement.

9.6. So long as the OCC Hotel Project Bonds are outstanding, and this Agreement is in effect, the obligations of the County to (i) collect the taxes imposed by Multnomah County Code 11.401(E), and (ii) maintain the TLT Net Revenues and transfer them to Metro to pay the OCC Hotel Project 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 or any amendment to this Agreement.

9.7. Upon reaching the Early Termination Date of this Agreement, the County may terminate or modify the tax surcharge imposed by Multnomah County Code 11.301(C).

9.8. Upon reaching the Termination Date of this Agreement, the County may terminate or modify the tax surcharge imposed by Multnomah County Code 11.401(E).

10. GENERAL PROVISIONS

10.1. Maintenance of Records. 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.

10.2. Notice. A notice or communication under this Agreement by a Party to another Party shall be sufficiently given or delivered if sent with all applicable postage or delivery charges prepaid by: (a) personal delivery; (b) sending a confirmed email copy (either by automatic electronic confirmation or by affidavit of the sender) directed to the email address of the Party set forth below; (c) registered or certified U.S. mail, return receipt requested; or (d) delivery service or “overnight delivery” service that provides a written confirmation of delivery, each addressed to a Party as follows

If to the City: City of Portland
 Office of the Mayor
 1221 S.W. Fourth Avenue, Room 340
 Portland, Oregon 97204
 Email: mayorcharliehales@portlandoregon.gov
 Phone No.: 503-823-4120

and

City of Portland
Office of Management and Finance
1120 S.W. Fifth Avenue, Room 1204
Portland, Oregon 97204
Attn: Chief Administrative Officer
Email: jack.graham@portlandoregon.gov
Phone No.: 503-823-5288

with copies to:

Spectator Facilities & Development Manager
1120 S.W. Fifth Avenue, Room 1204
Portland, Oregon 97204
Attn: Spectator Facilities & Development Manager
Email: SpectatorFacilities@portlandoregon.gov
Phone No.: 503-823-6958

and

Office of the City Attorney
City of Portland, Oregon
1221 S.W. Fourth Avenue, 4th Floor
Portland, Oregon 97204
Attn: City Attorney
Email: Jim.VanDyke@portlandoregon.gov
Phone No.: 503-823-4047

If to the County:

Multnomah County
Office of the County Chair
501 N.E. Hawthorne Blvd., Suite 600
Portland, Oregon 97214
Email: mult.chair@multco.us
Phone No.: 503-988-3308

and

Multnomah County
Finance and Risk Management Division
501 N.E. Hawthorne Blvd.
Portland, Oregon 97214
Attn: Chief Financial Officer
Email: mark.campbell@multco.us
Phone No.: 503-988-6229

with copies to:

County Attorney
501 N.E. Hawthorne Blvd.
Portland, Oregon 97214
Attn: Jacquie Weber
Email: jacquie.a.weber@multco.us
Phone No.: 503-988-3138

If to Metro: Metro
Office of the Council President
600 N.E. Grand Avenue.
Portland, Oregon 97232
Email: tom.hughes@oregonmetro.gov
Phone No.: 503-797-1700

and

Metro
600 N.E. Grand Avenue.
Portland, Oregon 97232
Attn: Chief Operating Officer
Email: Martha.Bennett@oregonmetro.gov
Phone No.: 503-797-1700

with copies to: Office of Metro Attorney
Metro
600 N.E. Grand Avenue
Portland, Oregon 97232
Attn: General Counsel
Email: Alison.Kean.Campbell@oregonmetro.gov
Phone No.: 503-797-1511

Notice to the Board shall be sent to:
Travel Portland
1000 SW Broadway, Suite 2300
Portland, Oregon 97205
Attention: President -CEO
Email: grants@VisitorsDevelopmentFund.com
Phone No: (503) 275-9797

Each Party may, by notice to the other Party, specify a different address or confirmation number for subsequent notice purposes. Notices may be sent by counsel for a Party. Notice shall be deemed effective on the earlier of actual delivery or refusal of a Party to accept delivery, provided that notices delivered by email shall not be deemed effective unless simultaneously transmitted by another means allowed under this Section 10.2. For a notice to be effective, the copied persons must also be given notice.

10.3. 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 its obligations to any third party. Any attempted assignment or transfer will be void.

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

10.5. 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.

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

10.7. 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.

10.8. 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.

10.9. 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.

10.10. Counterparts; Electronic Transaction. This Agreement may be executed in counterparts, each treated as an original, and the counterparts will constitute one document. The Parties agree that they may conduct this transaction, including any amendments or extension, by electronic means including the use of electronic signatures and facsimiles.

10.11. Severability. If any term or provision of this Agreement or its application to any Party or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such term or provision to such Party or circumstance other than those as to which it is held invalid or unenforceable shall not be affected, and each term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

10.12. Construction and Interpretation. To the extent consistent with the context, words in the singular shall include the plural, words in the masculine gender shall include the feminine gender and the neuter, and vice versa. All provisions of this Agreement have been negotiated at arms length, and this Agreement shall not be construed for or against any Party by reason of the authorship or alleged authorship of any provision of this Agreement.

10.13. Implementation. The Parties agree to take all actions and execute all documents necessary to effect the terms of this Agreement.

[Signature page follows]

CITY OF PORTLAND

Approved as to form

James Van Dyke
City Attorney

Charlie Hales
Mayor

Date

MULTNOMAH COUNTY

Approved as to form

Jenny Madkour
County Counsel

Jeff Cogen
County Chair

Date

METRO

Approved as to form

Alison Kean Campbell
Metro Attorney

Tom Hughes
Metro Council President

Date

VISITOR FACILITIES INTERGOVERNMENTAL AGREEMENT ATTACHMENT A

Financial Review Team Tasks and Responsibilities

The purpose of the Financial Review Team or FRT is defined in Section 7.2 of the Visitor Facilities Intergovernmental Agreement (“VFIGA”). The composition of the Financial Review Team and its convening are described in Section 7.2.1 of the VFIGA. Decision making for the FRT is described in Section 7.2.2. All section references in this Attachment are to the VFIGA and defined terms in this Attachment have the same meaning as in the VFIGA.

Task 1 – Periodic Review of VFTA cash flows and VFTA Fund Forecast

FRT Action: As provided in Sections 3.5, review VFTA cash flow and VFTA Fund Forecast for sufficiency and capacity to fund all VFIGA obligations and priorities.

Information to be reviewed may include but are not limited to:

- Historical and projected funding adequacy
- Reserve/Fund Balance levels and projections
- Prepayment and/or refunding possibilities for Bonds and examination of which Bonds would yield the most value to the VFTA system if prepayment or refunding were implemented
- Comparison of actual VFTA and SSSLTR receipts to projections
- VFTA funding requirements as compared to actual VFTA funding needs and priorities
- Factors affecting, or projected to affect, the local and national economy, particularly those that influence the VFTA system revenues

Timing/Frequency: At least annually and no later than 90 days prior to the start of each Fiscal Year. Reviews may occur more frequently if requested by any Party to the VFIGA.

FRT Deliverables: The Financial Review Team representative from each Party shall provide a summary to each Party’s members of the VDFI Board. The Financial Review Team may also provide periodic reporting to other relevant VFTA participants as needed. The FRT may also provide advice to the City Mayor, the County Chair and the Metro Council President on desired and appropriate adjustments to the VFTA that may require amendment to the VFIGA.

Task 2 – Recommendations on Adequacy of VFTA Funding and Initiation of Certain Actions

Task 2A: VFTA Forecast Review for Additional OCC Operating Support requests per Sections 3.3.5.2 and 3.3.5.6.

FRT Actions: Review VFTA Fund Forecast and analyze expected adequacy of VFTA funds to fulfill the allocations in 3.3.1 through 3.3.11 and the reserve accounts in 3.3.12 and 3.3.13. Review the adequacy of SSSLTR collections to meet OCC Hotel Project Bond payments in 3.3.4. Provide advice to VDFI Board prior to their consideration of a request for Additional OCC Operating Support per Section 3.3.5.2 or approving such request per Section 3.3.5.6. In their review, the FRT may take into consideration the review information included in Task 1 and the adequacy of the VFTA reserves as described in Section 3.3.12 and 3.3.13, any OCC capital or operating reserve funds carried by Metro and the results of the most recent reconciliation review and analysis describe in Task 5.

Timing/Frequency: If Metro intends to make a request for Additional OCC Support, at least 100 days prior the beginning of each Fiscal Year, as described in Sections 3.3.5.1 and 3.3.5.2.

FRT Deliverable: Report to the VDFI Board and each Party's members of the VDFI Board, which shall accompany the Additional OCC Operating Support request, describing the anticipated sufficiency of VFTA revenues and reserves to cover all obligations of the Agreement.

Task 2B: Confirm Adequacy of VFTA to Cover Step Increases for County Allocation per Section 3.3.6.3 and 3.3.6.4

FRT Action: Review of VFTA Fund Forecast and determine expected adequacy of VFTA funds to support increases of County allocation per Section 3.3.6 along with other VFTA allocations. The FRT shall use the review information included in Task 1 and may include the results from the most recent SSSLTR reconciliation review as described in Task 4B in this determination, provided that a debit balance will not be the sole reason to reject or delay the step increases.

Timing/Frequency: At least 90 days in advance of Fiscal Years identified in Section 3.3.6.3 and 3.3.6.4 and as needed in subsequent Fiscal Years if increases are not confirmed at an earlier allowed date.

FRT Deliverables: Confirmation, by email to the Trustee, to increase or not increase the County allocation.

Task 3 – Review Restricted Reserve Amount and Determine Bond Redemption

Task 3A: Review Restricted Reserve Amount per Section 3.3.12

FRT Action: Review of VFTA Fund Forecast and calculation of amount required to be maintained in the Restricted Reserve to meet the requirements of Section 3.3.12.

Timing/Frequency: Annually along with Task 1 review.

Deliverables: Direction to the County Trustee regarding the amount required to be maintained in the Restricted Reserve.

Task 3B: Recommend Bond Redemption Priorities per Section 3.3.13

FRT Action: Review funds available in Bond Redemption Reserve and bond call opportunities against priority order of bond allocations in Sections 3.3.1 through 3.3.4 to recommend bond redemption priority.

Timing/Frequency: Annually along with Task 1 review.

Deliverables: Recommendation to the County Trustee regarding the priority order for bond redemption consistent with Section 3.3.13.

Task 4 – Review and Verify Bond Debt Service

Task 4A: Review and Verify Final Stadium Bond Refunding Debt Service

FRT Action: As provided in Section 5.3.2.2, review final proposed debt service on Stadium Bond Refunding to ensure consistency with Section 5.3.2.1.

Timing/Frequency: Once, immediately prior to final pricing of Stadium Bonds

FRT Deliverable: Verification of Stadium Bond debt service schedule consistency with Section 5.3.2.1, which verification shall be provided by email, to the City CAO, or his designee and the Trustee.

Task 4B: Verify OCC Hotel Project Bond Debt Service

FRT Action: As provided in Section 6.2.3, compare the final proposed debt service on OCC Hotel Project Bonds to the OCC Hotel Project SSSLTR **projections** and the VFTA cash flow projections, review communications regarding tax-exempt status, and confirm adequacy of the

projected SSSLTR to meet the annual bond payments **with a target coverage of 1.05** and for consistency with the terms in Section 6.2.

Timing/Frequency: Once, immediately prior to final pricing of OCC Hotel Project Bonds

FRT Deliverable: Verification of OCC Hotel Project Bond debt service schedule consistency with Section 6.2, which verification shall be provided by email, to the Metro COO, or his designee and the Trustee.

Task 5 –Perform Reconciliation Review and Analysis of SSSLTR and Determine Metro Reimbursements and Refunds

FRT Actions:

A) Consistent with Section 6.2.4, review and analyze the SSSLTR paid by the OCC Hotel Project as follows:

1. The Trustee shall prepare a reconciliation accounting of (1) the collected SSSLTR, including the difference between the amount stated in Sections 3.3.7.1 and the amount stated in Section 3.3.7.2, as Escalated, for Enhanced OCC Marketing Support, and (2) the amount of principal and interest (debt service) on OCC Hotel Project Bonds paid to Metro from VFTA funds during that corresponding time period.
2. The FRT will compare the amount of SSSLTR that was paid by or attributed to the OCC Hotel Project to the payments for the OCC Hotel Project Bonds under Section 3.3.4. If the total of the SSSLTR is larger than the total of the bond payments, an accounting “credit” will be recorded for the time period being analyzed. If the total of the bond payments is larger than the total of the SSSLTR, an accounting “debit” will be recorded for the time period being analyzed.
3. The credits and debits will be summed to determine if the cumulative accounting balance is positive (a “credit balance”) or negative (a “debit balance”). The cumulative accounting balance will be carried forward into subsequent reconciliation reviews.

B) Consistent with Section 6.2.4, determine if a Metro reimbursement payment is due and the amount, if any, that should be paid by Metro to the VFTA, or if a refund to Metro is due, as follows:

1. As described in Section 6.2.4.2, if the cumulative accounting balance is a debit balance, and if no funds are available within the VFTA Restricted Reserve, the FRT may determine that Metro be required to remit to the County for deposit in the VFTA a reimbursement payment up to the amount of the debit balance. The FRT can set the reimbursement payment to an amount less than the debit balance and can choose to delay payment until a subsequent reconciliation review is completed. Any debit balance that may be remaining after a Metro reimbursement payment is determined shall be carried forward into subsequent reconciliation reviews.
2. The FRT shall determine if a reimbursement payment is required by Metro by considering appropriate financial factors, including but not limited to: the fluctuations in SSSLTR collections over the life of the OCC Hotel Project Bonds taking into consideration historic trends and current economic indicators, the amount of the negative balance, and the VFTA Fund Forecast.
3. As described in Section 6.2.4.3, the FRT shall determine if Metro is owed a refund payment. If, after refunding to Metro all reimbursement payments made by Metro in prior Fiscal Years, an accounting credit balance still remains, the credit balance will be carried forward into subsequent reconciliation reviews.

Timing/Frequency: As described in Section 6.2.4.1.

FRT Deliverables: 1) Reconciliation report to Metro COO. 2) Direction to the Trustee and Metro COO on Metro's required reimbursement of the VFTA or refunds to Metro from the VFTA.

Task 6 – Advise on OCC Hotel Project Bond Refunding and Tax Status

Task 6A: Advise on OCC Hotel Project Bond Refunding per Section 6.3

FRT Actions: As described in Section 6.3, review and analyze opportunities to refund OCC Hotel Project Bonds. Factors to consider in this analysis include but are not limited to: the financial benefits for the VFTA and Parties of refunding; the expected adequacy of SSSLTR to support OCC Hotel Project Bond refunding without contributions from non-VFTA revenues; and any request from Metro to use a reconciliation credit balance to defease the then outstanding OCC Hotel Project Bonds.

Timing/Frequency: Per Section 6.3.

Deliverables: Advice and guidance to the Metro COO regarding OCC Hotel Project Bond debt service coverage excluding non-VFTA revenues, and any proposed OCC Hotel Project Bond refunding structure.

Task 6B: Determine Net Financial Result of Change in Tax Status of OCC Hotel Project Bonds, per Section 6.4

FRT Actions: As described in Section 6.4, review any action undertaken by Metro that results in a change in tax status of the OCC Hotel Project Bonds to determine if the results are a net financial benefit to the VFTA.

Timing/Frequency: Within 30 days of a change in the tax status of the OCC Hotel Project Bonds.

Deliverables: Report to the City Mayor, County Chair and Metro Council President on the net financial impact to the VFTA of a change in tax status of the OCC Hotel Project Bonds.

Confidential Information:

For the purposes of the OCC Hotel Project funding strategy included in the VFIGA, the Parties must be provided information about the SSSLTR on an ongoing basis in order to perform their responsibilities under the Agreement. Metro will obtain a waiver to Portland City Code 6.04.130.D from the OCC Hotel Project operator, including agreement to periodic updates of such waiver, to allow sharing of the SSSLTR information with the Financial Review Team, who shall sign a confidentiality agreement.

OREGON CONVENTION CENTER HOTEL

DEVELOPMENT AND FINANCING AGREEMENT TERM SHEET

This Development and Financing Agreement Term Sheet summarizes the proposed terms under which Mortenson Development, Inc. (“Developer”) and Metro (“Metro”) intend to plan, finance and develop a privately owned Convention Center Hotel (the “Hotel”) to be owned and operated by Hyatt Hotel Corporation (“Manager”).

DESCRIPTION OF DEVELOPMENT TEAM	
Developer	Mortenson Development, Inc. will serve as the project developer, assuming all responsibility for the design, entitlement, financing and construction of the Hotel. The Developer is expected to enter into a Development and Financing Agreement with Metro.
Owner	<p>The initial project owner is expected to be a special purpose entity (SPE) to be created for purposes of this project. The Developer will act as managing member or managing partner of the SPE. The SPE will assume the Developer’s outstanding rights and responsibilities of the Development and Financing Agreement with Metro.</p> <p>Upon completion of construction, the SPE will be sold to Hyatt Hotels Corporation which shall cause the Hotel to be operated under the Hyatt Regency brand. A subsequent sale of the Hotel by Hyatt Hotels Corporation shall be encumbered with a Hyatt Regency franchise agreement or management contract, or shall be caused to be re-flagged an upper-upscale hotel brand of similar quality to Hyatt Regency. Owner shall notify Metro of a proposed sale and/or change in the Hotel flag. Metro will approve any change in Hotel flag as a condition to the change, with such approval not unreasonably withheld.</p>
Manager	Hyatt Hotels Corporation will manage and operate the Hotel.
Contractor	Mortenson Construction will serve as the general contractor for the project.
Design/Build	The Hotel will be built under a design/build approach, with Mortenson Construction providing cost and completion guarantees.
Architect	Elness Swenson Graham Architects will serve as the lead design firm, with Ankrom Moisan Associated Architects as the local design partner.
Other Consultants	Piper Jaffray & Co. –finance investment banking

	Jones Lang LaSalle Hotels – market and feasibility studies
Public Partners	<p>Metro, as owner of the Oregon Convention Center, is the lead public participant in the project.</p> <p>Three other public organizations will be required to take actions to facilitate the Hotel:</p> <ul style="list-style-type: none"> (a) Portland Development Commission (PDC) (b) City of Portland (c) Multnomah County
PROJECT DESCRIPTION	
Hotel Location	<p>The Developer prefers the Hotel be developed on portions of Block 47 and 48, Holladay’s Addition, Portland, as depicted in <u>Attachment A</u>. The property is currently owned by (or under the control of) StarTerra, LLC and is expected to be sold to the SPE at closing. The site is 1.85 acres and provides excellent proximity to the Oregon Convention Center and Light Rail along NE Holladay Street.</p> <p>PDC owns a 15,000 square foot parcel on Block 47, Holladay’s Addition, Portland, as depicted in Attachment C. This parcel is adjacent to the StarTerra site and will be considered as part of the Hotel design phase.</p> <p>An alternative site available for Hotel development is PDC’s property known as Block 43 and 26, Holladay’s Addition, Portland, as depicted in Attachment B.</p> <p>Mortenson shall coordinate with PDC on planning efforts for the adjacent, 15,000 square foot parcel on Block 47 currently owned by PDC.</p>
Hotel Description	<p>The Hotel will serve as the flagship convention hotel serving the Oregon Convention Center due to its size and proximity. The Hotel is currently expected to consist of the following facilities and amenities: (1) 600 rentable guest rooms; (2) 35,000 square feet of meeting and ballroom space; (3) a three meal upscale restaurant; (4) a lobby bar; (5) a coffee bar; (6) an indoor pool and whirlpool; (7) an exercise room; (8) a business center; (9) a gift shop; (10) or other elements required by <u>Portland City Codes and guidelines</u>; and (11) other additional facilities and amenities agreed upon by the parties, consistent with the high quality Hyatt Regency brand.</p>

Hotel Name	For purposes of this Term Sheet and subsequent negotiations, the Hotel will be referred to as the “Convention Center Hotel.”
Parking Management	Structured parking shall be provided for the Hotel either under the Hotel or on Block 49 and shall be managed by the Schlesinger Companies. Metro’s public funding provided will not be used to finance the cost of constructing a parking structure that (a) is separate from the Hotel or (b) services the needs beyond what is necessary for Hotel operations.
Operating Standards	The Hotel will be built and operated in conformance with the design, construction and operating standards for the Hyatt Regency brand, in place as of the effective date of the Development and Financing Agreement, and as approved by Hyatt Hotels Corporation.
LEED [Silver] Standards	The parties desire the Hotel to be certified LEED Silver or higher for New Construction by U.S. Green Building Council. Developer intends to construct the Hotel in a manner that would qualify it as LEED Silver or higher.
Operating Agreement with Manager	The Owner will enter into an Operating Agreement with Hyatt Hotels Corporation, with the expectation that Hyatt will operate and manage the Hotel.
UNION LABOR	
Construction	As a union signatory contractor, Mortenson routinely builds its projects utilizing union subcontractors and with union labor. Mortenson fully intends to do so for the Hotel project.
Operations	Hyatt Hotels Corporation, has entered into a labor peace agreement with Unite Here, Local 9, dated October 31, 2012.
NON-BINDING COMMITMENTS AND ROLES OF THE PARTIES	
Development	Developer will serve as project developer and Mortenson Construction will be the construction contractor. Developer will: (a) Manage the predevelopment and construction process, including design/build, financing, permitting and construction management of the Hotel. (b) Provide a guarantee for construction costs and completion to facilitate project financing. (c) Serve as the lead entity in negotiations with the public participants,

	<p>participating in joint team meetings, negotiating meetings and public meetings upon request.</p> <p>(d) Ensure that the project complies with terms and provisions conditions of the Development and Financing Agreements.</p> <p>(e) Provide Metro with copies of design product, budgets, statement of sources and uses of funds, financing commitments, operating pro formas, and other relevant information as mutually agreed upon throughout the Hotel project process.</p>
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<p>Hotel Ownership and Operations</p>	<p>Hyatt Hotels Corporation expects to:</p> <ul style="list-style-type: none"> (a) Participate in the predevelopment process and provide project management oversight to ensure that the project is designed, constructed and equipped to meet the Hyatt Regency brand; (b) Negotiate and enter into a Room Block Agreement with Metro; (c) Acquire the Hotel from SPE upon completion of construction and issuance of a Certificate of Completion by the City; (d) Manage and operate the Hotel to the standards of a Hyatt Regency product upon completion of construction under contract with the ownership entity.
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<p>Public Parties</p>	<p>Metro expects to:</p> <ul style="list-style-type: none"> (a) Serve as the lead public participant and public oversight agent through completion of the Hotel with any ongoing involvement to be addressed in the Room Block Agreement; (b) Coordinate necessary approvals for funding from PDC, City and Council. Negotiate and enter into development and financing agreements, including intergovernmental agreements, Visitor Development Initiative amendments, etc. (c) Negotiate and enter into a Room Block Agreement with Hyatt Hotels Corporation to address required convention room block needs and concerns regarding potential room rate impacts on the market. (d) Negotiate and prepare appropriate intergovernmental agreements to implement the project, including transient lodging tax (TLT) related agreements.
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	<p>PDC’s expected participation includes:</p> <ul style="list-style-type: none"> (a) Involvement in the project pre-development process, providing technical assistance as requested. (b) Providing direct financing as described below and potentially selling property for the project, either on Block 46 or Blocks 43/26 as indicated in <u>Attachment B</u> or a portion of Block 47, shown in <u>Attachment C</u>.
CAPITAL STRUCTURE	
Private Financing	<p>Construction Period:</p> <p>Mortenson Development, Inc. will structure approximately \$119.5 million in private investment through a combination of private equity and private debt accessed through institutional financing sources such as money center banks or life insurance companies.</p> <p>Post Construction:</p> <p>Hyatt Hotels Corporation will deliver a forward take-out commitment to purchase the Hotel upon completion.</p>
Public Financing	<p>Metro will:</p> <ul style="list-style-type: none"> (a) Provide direct financing available for use in the construction of the Hotel in the form of a performance grant for an amount up to \$4 million, contingent upon negotiation of the Development and Financing Agreement. (b) Amend the Visitor Facilities Trust Account (VFTA) Intergovernmental Agreement, upon approval from the City of Portland and Multnomah County and Metro Council, to create a funding mechanism within the VFTA to support the issuance of revenue bonds for the Hotel, based on the equivalent of 11.5% of the site-specific transient lodging tax (TLT) expected to be generated by the operations of the Hyatt Regency Hotel. (c) Issue, or cause to be issued, a revenue bond in the approximate amount of \$60 million (“Metro Revenue Bond”) supported by the revenue stream generated from TLT through the Visitor Facilities Trust Account, with proceeds utilized for the construction of the Hotel.

	<p>Metro expects that PDC’s participation includes:</p> <p>(a) Direct financing in the form of a loan in an amount up to \$4 million, contingent upon budget authority and Board approval of appropriate financing agreements.</p> <p>Metro has received confirmation that the State’s participation will be:</p> <p>(a) Direct financing in the form of a grant in an amount of \$10 million, contingent upon Board approval of appropriate financing agreements.</p> <p><i>Note: Public and private financing terms are subject to further negotiation consistent with the intent of this Term Sheet based on the details of the overall financing plan for the Hotel and PDC’s terms for its financial participation, and are subject to review and approval by the appropriate public bodies. Metro’s public funding provided will not be used to finance the cost of developing or constructing projects unrelated to the Hotel.</i></p>															
Project Budget	The project is anticipated to have a total budget, inclusive of all hard and soft costs of \$197.5 million. See <u>Attachment D</u> for a detailed, preliminary project budget.															
Financing Sources Summary	See <u>Attachment E</u> .															
SCHEDULE																
<p>Project Schedule</p> <p><i>The Project Schedule is based on the assumption that Metro, City and County shall have approved amendments to the Visitor Facilities Intergovernmental Agreement (VFIGA) by September 30, 2013</i></p>	<table border="0"> <thead> <tr> <th>Pre-Development Phase:</th> <th>Start</th> <th>Finish</th> </tr> </thead> <tbody> <tr> <td>(a) Financing Plan</td> <td>June 1, 2013</td> <td>July 30, 2013</td> </tr> <tr> <td>(b) Amendments to VFIGA Approved</td> <td>August 15, 2013</td> <td>September 30, 2013</td> </tr> <tr> <td>(c) Development Agreements and Iterative Design</td> <td>October 1, 2013</td> <td>July 1, 2014</td> </tr> <tr> <td>(d) Entitlements and Permitting</td> <td>October 1, 2013</td> <td>July 1, 2014</td> </tr> </tbody> </table>	Pre-Development Phase:	Start	Finish	(a) Financing Plan	June 1, 2013	July 30, 2013	(b) Amendments to VFIGA Approved	August 15, 2013	September 30, 2013	(c) Development Agreements and Iterative Design	October 1, 2013	July 1, 2014	(d) Entitlements and Permitting	October 1, 2013	July 1, 2014
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Project Schedule (cont.)	(e) Closing September 1, 2014 Construction Phase: September 1, 2014 September 1, 2016 Hotel Opening: September 1, 2016
Performance Goal	The Parties commit to work diligently to achieve the project schedule, with a goal of Hotel Opening in 2016.
MISCELLANEOUS	
Room Block Agreement	As a condition to Metro issuance of the Metro Revenue Bond, Metro and Owner/Hyatt Hotel Corporation shall have executed a Room Block Agreement to be negotiated among such parties which addresses and defines the terms required by Metro and Owner relating to city-wide events, event room blocks of 500 rooms and a mutually agreed upon timeframe, and event block rates, as applicable.
Marketing Strategy	Owner/Hyatt Hotel Corporation will work with Travel Portland and Metro to coordinate marketing plans and rate promotions on a regular, on-going basis to ensure the Hotel does not precipitate room rate decline in the Central City hotel market.
Business and Work Force Equity - ESB/MBE/WBE Programs	Developer will ensure that the development, design, and construction of the Hotel comply with PDC's priorities for Emerging, Minority, and Women-Owned Businesses as set forth in RFP 13-2115 and as available at www.pdc.us .
Prevailing Wages and other Labor Requirements	Developer will ensure that all contractors, subcontractors and consultants fully comply with the State of Oregon's BOLI statutes and regulations and any other applicable regulations.
First Opportunity Target Area Hiring	Owner will use its best efforts to comply with Metro's First Opportunity Target Area Hiring policy and as available at www.oregonmetro.gov .
Public Records	As allowed under Oregon law, Metro intends to use best efforts to maintain confidential documents related to the Hotel development proposal throughout the negotiation process. Upon completion of negotiations and during the final public approval process (at which time the Metro Council would approve issuing an intent to award a contract to Developer), Metro expects to make general project documents, not otherwise exempt from disclosure under Oregon law, available for public review.
Exclusivity	Metro and Mortenson anticipate to negotiate exclusively throughout the

	term of this Term Sheet.
Contacts	<p>The appropriate representatives and addresses may be used throughout the negotiation process:</p> <p>M.A. Mortenson Company Tom Lander, Vice President and General Manager Nate Gundrum, Senior Development Manager 700 Meadow Lane North Minneapolis, MN 55422-4899</p> <p>Metro Attention: Teri Dresler, Visitor Venue General Manager Attention: Cheryl Twete, Senior Development Advisor 600 NE Grand Avenue Portland, Oregon 97232</p>
List of Attachments	<p>A – Developer’s Preferred Hotel Site Location</p> <p>B – PDC-owned Site Available for Hotel</p> <p>C – PDC-owned Site Adjacent to StarTerra Property</p> <p>D – Preliminary Total Project Budget</p> <p>E – Financing Sources</p>

* * * * *

ATTACHMENT A

DEVELOPER'S PREFERRED HOTEL SITE LOCATION



ATTACHMENT B

PDC-OWNED SITE AVAILABLE FOR HOTEL



ATTACHMENT C

PDC-OWNED SITE ADJACENT TO STARTERRA PROPERTY



ATTACHMENT D

PRELIMINARY TOTAL PROJECT BUDGET

Uses of Funds		
Land	\$ 7,300,000	Land acquisition, etc.
Construction	\$ 125,000,000	Foundations, structure, enclosure, building systems, finishes, site work, utilities, etc.
FF&E/OS&E	\$ 25,200,000	Furniture, fixtures, operating supplies, food service equipment, technology, etc.
Development	\$ 30,600,000	Environmental site assessment, geotechnical investigation, consulting, survey, legal, sanitary sewer impact fee, storm sewer impact fee, transportation impact fee, park and recreation impact fee, water bureau impact fee, school impact fee, development fee, building permit/plan review fee, project contingency, pre-opening expenses, etc.
Financing	\$ 9,400,000	Construction period interest, loan origination, closing costs, title, disbursement, inspection, etc.
Total	\$ 197,500,000	

ATTACHMENT E
FINANCING SOURCES

Sources of Funds		
Private Investment	\$	119,500,000
Metro Revenue Bond	\$	60,000,000
State Grant	\$	10,000,000
Metro Grant	\$	4,000,000
PDC Loan	\$	4,000,000
Total	\$	197,500,000



August 15, 2013

**Testimony before the Metro Council in opposition to
Resolution No. 13-4452, approving the visitor facilities
intergovernmental agreement for a
Convention Center Headquarters Hotel**

By Steve Buckstein

For the record my name is Steve Buckstein. I'm Senior Policy Analyst and founder of Cascade Policy Institute, a free-market think tank here in Portland.

Originally, the idea behind the Oregon Convention Center was that if we put together the right package of amenities, then everyone would come to Portland and spend lots of money eating and shopping when they weren't attending meetings.

That same idea occurred to people in other cities, and it sparked an ambitious municipal competition that began back in the 1980s and is still going strong.

First, we built a new convention center to attract the convention business. When the original center didn't generate the revenue we'd hoped for, we decided to expand it. When occupancy rates dropped after the expansion, we turned our attention to the need for a headquarters hotel. That was the magic ingredient we were missing.

Of course, no one wanted to listen to the critics like Professor Heywood Sanders who came here in 2005 to tell us that other cities had already tried what we wanted to try in 2007, and it didn't work. Big convention center hotels were built in other cities with disappointing results. Not only didn't they significantly increase convention business, but they didn't make their occupancy projections either, and now those cities are saddled with money losing convention centers and money losing hotels. The fact that the private sector wouldn't put up much of its own money for such facilities somehow didn't matter in other cities.

The question you have to answer now is: Does it matter to us?

We like to tell ourselves that Portland is different, but are you willing to risk your taxpayer's money on that difference, knowing that the competition for convention business is only getting more intense?

over



As you may remember, in 2007 The Portland Development Commission (PDC) rejected the only Convention Center hotel proposal that didn't require government subsidies.

The Grand Ronde Indian Tribe said it could do the project with all private money if it were allowed to include a gambling casino. After they were turned down, a tribe spokesman said, "We refuse to raid taxpayer dollars for any project." He could have added, "especially for hotels which are not core functions of government."

Rather than deciding today if you want to double down by subsidizing a headquarters hotel, I suggest you do the politically incorrect thing and consider whether you really want to be in the convention center business at all. If the answer to that question is No, which I believe it should be, then consider selling the Convention Center and cut your losses.

Chair Hughes, you have correctly pointed out that if you look for a project that's been scrubbed of all the risk, you will never do anything.

But I hope you will also consider the advice of management guru Peter Drucker who warned:

"There is nothing so useless as doing efficiently that which should not be done at all."

The core functions of government are to protect our lives, liberty and property. Providing our entertainment and convention venues should not be done by government at all.

Ironically, in October the Convention Center will host another [Scam Jam](#) event where the state attorney general and others will help Oregonians avoid being ripped off by financial con artists. I wouldn't be surprised if some day in the future publicly funded convention centers and headquarters hotels are listed along with stock swindles as financial transactions to be avoided at all costs by the public.

Further information

"The Unseen Costs of Ribbon Cutting: Losses from Economic Development Programs", William B. Conerly, Ph.D., Cascade Policy Institute, June 1998, http://www.cascadepolicy.org/pdf/fiscal/I_1011.pdf

"Space Available: The Realities of Convention Centers as Economic Development Strategy", Haywood Sanders, Brookings Institution, January 2005, <http://www.brookings.edu/research/reports/2005/01/01cities-sanders>

"Scam Jam", Oregon Convention Center, October 22, 2013
<http://aarp.cvent.com/events/aarp-oregon-scam-jam-portland-or-10-22-2013/event-summary-bb84e2a67e1a4475870bbc85bcb35ebe.aspx>

~~For the record my~~

Good Afternoon Council President and members of the Council,

For the record my name is Norman Curry and my address is 8209 NE 138th Ct Vanc. Wa,

I am a buisness agent for all Union Carpenters in Oregon and SW Washington. I specifically represent the Union Carpenters of the Trade Show Industry. In my conversations with our National Trade Show contractors they repeatedly compliment the layout of our convention center the ease of loading and unloading of freight to the show floor and their desire to bring their clients with large national Shows to portland. They have repeatedly stated that the only thing preventing those clients from booking their show in Portland is our lack of a convention center hotel and the ability to reserve a minimum of a 500 room block for their show. So in conclusion I urge you TO VOTE in favor of this project. Thank you.