

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

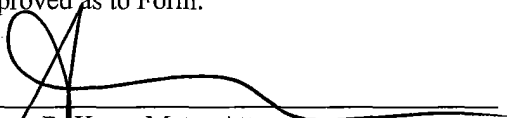
1. Acknowledges the growth of Washington County Schools and supports the distribution of Shared Service Funds to Washington County School Districts; and
2. Authorizes the Chief Operating Officer to enter into an intergovernmental agreement with the IGA parties under ORS § 285C.639 to effect the distribution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