

CITY OF PORTLAND

**LEGISLATIVE PACKAGE:
PRIORITIES AND INITIATIVES**



**2009
SESSION**

CITY OF PORTLAND COUNCIL:

**MAYOR SAM ADAMS
COMMISSIONER AMANDA FRITZ
COMMISSIONER NICK FISH
COMMISSIONER DAN SALTZMAN
COMMISSIONER RANDY LEONARD**

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Prepared by the Office of Government Relations:

Dan Bates, Director
Martha Pellegrino, Lobbyist
David Barenberg, Lobbyist
Steffeni Mendoza Gray, Intergovernmental Specialist
Matt Jaffe, Government Relations Associate
Lesley Kelley, Business Operations Manager
Althea Gregory, Executive Assistant

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PRIORITIES

ECONOMIC DEVELOPMENT

WORKFORCE DEVELOPMENT

Objective: Support reforms to the State Workforce Investment Board, retain local authority over use of workforce development funds and seek funding to: restore vocational-technical education to middle and high schools; streamline OWIB and align its statewide goals with local workforce plans; re-establish summer youth work programs; create online tools to engage young people and link with resources; create short-term job training centers; and increase output of qualified trainers and instructors.

Issue: The City of Portland recognizes workforce training programs and their hand-in-hand work with area educational institutions to be a critical component of community development efforts. An October 2008 Oregon Job Vacancies Report produced by the Oregon Employment Department found that there were approximately 7,604 job vacancies paying more than \$20/hour in Portland. Connecting those looking for work with the necessary skills to fill these positions is critical. The City has been, and now more than ever, is committed to increasing the skills of our workforce so that they may access these jobs. Joining business, education, local government, and community development advocates, the City supports a workforce development agenda that emphasizes both a results-oriented approach and cross-organizational alignment. A reorganization at the state-level will be most effective in supporting these goals if it leads to regional collaboration mandates and increased resource investments in local Workforce Investment Boards.

EDUCATION

FUNDING FOR EARLY EDUCATION THROUGH POST-SECONDARY

Objective: Actively work and advocate for adequate and stable operations funding for public education, from pre-kindergarten through post-secondary education including full-day kindergarten. Actively work and advocate for state support for construction and deferred maintenance funding for educational institutions. Support funding for new diploma implementation and support to curtail adverse impact on low-performers. Support legislation that allows cities to support school districts and public post-secondary education and research institutions in sharing services and resources. Support Portland colleges and universities in their capital requests to the State Legislature.

Issue: The City of Portland has long-recognized quality educational institutions and workforce development programs as a driver and sustainer of a robust and diverse economy and healthy community. Quality public education – from pre-kindergarten through post-secondary – is a cost-effective investment strategy that provides each community member the opportunity to become a successful adult and qualify for a living wage job. An educated workforce is critical to attracting and maintaining businesses to the City of Portland – businesses that, in turn, require a comprehensive quality public education system be available to its employees.

The City of Portland recognizes the economic benefits provided to the City, the region, and the State by the educational institutions themselves: as employers, as purchasers of local goods and services, as draws for tourism dollars, as “in-kind contributors” of volunteer hours and intellectual expertise, as shapers of the work force, and as property owners and real estate developers. Additionally, public resource demands in the future (e.g., use of criminal justice and welfare systems; increasing costs of public safety) can be mitigated and prevented by investing now in the provision of a quality education system. Portland also benefits significantly from the cultural, creative, and intellectual benefits associated with quality post-secondary education institutions. They contribute to Portland’s attractiveness for residents, visitors, and potential investors.

After years of decline, the state made historic gains in the last legislative session, appropriating \$6.245 billion to Headstart and K-12 over the 2007-09 biennium, an increase of 18 percent. Likewise, higher education made significant gains with an operating budget of \$867.9 million. This is a trend that needs to continue and the City of Portland will advocate for increases in funding for public education at all levels, from Headstart and K-12 through higher education. With its educational partners, the City

will advocate for levels of education funding that will: allow more children to participate in Headstart and full day Kindergarten; ensure the New High School Diploma is implemented with fidelity; strengthen youth mentoring initiatives; and make certain that educator's professional development needs are met so they are better prepared to teach our students. Ultimately, the City seeks to support school districts in providing a level of education that will ensure student competitiveness, and will enable higher education institutions the ability to provide faculty with competitive salaries and greater access to Oregon youth.

CLIMATE CHANGE

BUILDING A GREEN ECONOMY

Objective: Support legislation that will reduce greenhouse gas emissions, promote energy efficiency, and encourage the development of green jobs throughout Oregon.

Issue: Climate change presents one of the most far-reaching environmental problems of the 21st century. The rising urgency of climate change requires reducing emissions of carbon dioxide, the primary greenhouse gas, which is released whenever fossil fuels like coal, natural gas, oil, gasoline, and diesel are combusted. Because of the ubiquity of these fuels (40 percent of Portland's electricity is from coal and another 10 percent from natural gas), reducing carbon emissions has potentially widespread impacts, primarily in the form of higher energy prices. Renewable energy and strong energy efficiency policies and programs, however, will help mitigate price increases. Moreover, clean energy presents a key economic development opportunity for Oregon. Improving energy efficiency makes Oregon companies more competitive by reducing operating costs, and development of renewable energy resources like wind, geothermal, and solar in the state reduces Oregon's dependency on out-of-state coal and natural gas suppliers. Green building and green rehab approaches to the publicly-funded affordable housing infrastructure offer particular benefits: reduced energy consumption and reduced energy costs to low-income residents; improved air quality for tenants; and reduced operating costs through the use of durable, sustainable materials. Accordingly, the City will seek out programmatic and policy opportunities to offset the initial investment by non-profits associated with green development or green rehab of affordable housing.

Cap-and-Trade

Oregon is a founding member and active participant in the Western Climate Initiative, which issued recommendations in September 2008 for a multi-state "cap-and-trade" system for greenhouse gas emissions. The policy is intended to reduce emissions in the participating states to 15 percent below 2005 levels by 2020, while giving large sources of carbon the flexibility to choose between reducing emissions themselves, or buying excess reductions from others. The City supports the Governor's proposal to direct DEQ to develop a detailed program to implement the Western Climate Initiative framework, with the resulting recommendations considered in the 2011 legislative session.

Energy Efficiency

During the summer of 2008, the Governor's office convened the Energy Efficiency Working Group to develop legislative concepts to accelerate

investments in energy efficiency. The City supports the following proposals advanced by the Working Group:

- enabling legislation making it easier for local governments to fund energy efficiency investments in residences and commercial buildings, with the financing repaid through assessments on the properties;
- establishing an Energy Code Board charged with ensuring that building codes optimize energy performance;
- establishing a schedule for improving energy performance of the building code to align with Architecture 2030, a nationwide effort to improve building energy performance; and
- requiring performance ratings for commercial buildings and homes.

Encouraging the use and continued development of clean renewable sources of energy plays a key role in the City's efforts to reduce its greenhouse gas emissions. However, improving energy efficiency remains the most immediately direct and substantial way to make serious reductions in emissions. These proposals assist the City of Portland in its energy efficiency efforts that are already underway and will translate to cost-savings for Portland residents and businesses. These savings result in strong economic benefits by reducing household and business expenditures on energy.

Green Jobs

Energy efficiency is one of the most promising arenas for green jobs. In part, this is due to the high concentration of local companies providing clean energy products and services (Ecos, Vestas, PECL, and the Cadmus Group, to name a few). These direct jobs translate into still larger numbers of indirect job benefits, as energy savings reduce utility bills, leaving more dollars in household and business budgets at the end of the month to spend on other goods, keeping money circulating in the local economy.

Portland has established itself as a national leader in producing green jobs. According to a recent study by Global Insight, the Portland area could add 46,000 green jobs over the next 30 years, an eight-fold increase from today's numbers, which already reflect enormous growth in green-related employment and businesses.

GENERAL GOVERNMENT

ETHICS

Objective: Support legislation that will clarify the scope and breadth of Oregon's ethics laws to ensure a fair and consistent application.

Issue: In 2007, the Legislature passed ethics reform legislation that expanded the reporting requirements for public officials and made changes to the state's gift laws. Numerous ambiguities and ill-defined terms have made implementation of the new law challenging. As a result, city employees, volunteers, appointed and elected officials are finding it difficult to predict whether typical government activities comply with the new ethics requirement. Moreover, it is unclear how far the law reaches into the private lives of public officials. There is concern that the breadth of these laws will make it difficult to recruit and retain volunteers that are essential to the operations of the City. Clarifications and bright-line rules will help the large number of elected and appointed officials, employees, and volunteers at the City of Portland can understand their new responsibilities and comply with the law.

The following are some of the areas of the law that warrant clarification:

- the scope of "legislative or administrative interest;"
- guidance as to who is a public official and when the laws apply to those individuals, their relatives and household members; and
- unintended consequences, such as prohibiting the exchange of gifts between people involved in relationships but who do not live together.

Furthermore, the City of Portland recognizes that the resignations of over 200 public officials throughout the state has been detrimental to Oregon communities. Therefore, the City is supportive of changes to the Statement of Economic Interest forms that fairly respond to the concerns of public officials and their family members.

GENERAL GOVERNMENT

PREEMPTIONS OF LOCAL GOVERNMENT AUTHORITY

Objective: Strongly oppose any legislation that would preempt the City's authority to develop and enforce local ordinances, manage its bureaus and functions, raise local revenues, or avoid state imposed tax expenditures on local government.

Issue: Legislative preemptions are often proposed by special interests that want to prohibit taxes or fees, overturn locally passed laws, or gain tax exemptions. Instead of working at the appropriate local level, these interests seek State intervention and use the legislative process as the option of first, rather than last, resort.

The 2009 Session will undoubtedly bring many attempts to preempt City authority. Anticipated measures include those that would:

- void the City's Time, Place and Manner ordinance;
- preempt the City's authority to regulate and manage For-Hire-Transportation services;
- preempt the City's authority to impose a tax on wireless communication;
- modify the City's ability to impose system development charges;
- substantially alter the City's business license tax;
- eliminate the City's authority to require demolition review for historic buildings;
- interfere with local government authority to manage and be compensated for the use of public rights-of-way, or preempt city franchise authority;
- preempt authority to raise revenue dedicated to transportation including imposing local street user fees or local gas taxes;
- preempt this City's ordinance establishing a renewable fuel standard; and
- preempt the City's ability to encourage green building practices through the adoption of local building code amendments.

The list is long and the risks posed to the City are considerable. More information about many of the issues listed above may be found in the City of Portland Policy Positions document.

HEALTH CARE

HEALTH CARE COVERAGE FOR UNINSURED CHILDREN

Objective: Support legislation to provide health care coverage for uninsured children in Oregon.

Issue: This year, for the first time in many years, the U.S. Census Bureau reported an increase in the number of children in the U.S. who do not have health insurance. In Oregon, there are an estimated 117,000 children without health insurance. An estimated 80 percent of them are from families earning less than 300 percent of federal poverty level (Oregon Youth Risk Behavior Survey, Department of Human Services, 2005). Furthermore, the number of children covered by state-sponsored health insurance increased to an all time high of 225,000.

The burden of children without health care coverage is significant; children in poor health generally have significantly lower achievement scores in school than children in good health. Furthermore, the lack of health care benefits for children creates an extraordinary burden on the lives of children and their families. This is a problem not just in Portland, but in communities across the state.

According to a report by the Office for Oregon Health Policy and Research (Children's Access to Health Care, 2006), children that lacked health insurance were three times more likely to be taken to an emergency room or urgent care facility for routine care. Providing health coverage for children throughout the state would alleviate pressure on emergency care facilities and therefore reduce health care costs for all Oregonians. Additionally, the City of Portland supports efforts to provide health care coverage in high schools across the state.

HOUSING

HOUSING ALLIANCE LEGISLATIVE AGENDA

Objective: Support the Oregon Housing Alliance's legislative agenda that seeks to increase the amount of money dedicated to affordable housing, including both rental and homeownership opportunities. Funding sources for affordable housing to be pursued by the Alliance include: an increase of the document recording fee, dedication of lottery proceeds, and allocation of General Funds.

Issue: The Housing Alliance is a statewide consortium of advocates, governments (including the City of Portland), housing authorities, interest groups, and service providers dedicated to increasing the resources available to meet our state's housing needs. Affordable housing is a significant problem in the metropolitan area and around the state. Strategic state investment should focus on: 1) rental housing supply and preservation; 2) homeownership; and 3) serving low-income renters with rent assistance subsidies.

The City of Portland estimates that tens-of-thousands of units of affordable housing are needed in the Portland Metropolitan area. More than thirteen thousand households are unable to find housing they can afford to rent within City limits. The lack of housing is an important factor in homelessness. Of particular concern is the need to preserve privately-owned rent-restricted housing that has been under contract with the federal government. As these contracts expire, the affordability may be lost and the tenants displaced. This is a potential statewide crisis; in Portland alone, there are 11 buildings at risk by 2013. Preservation funding is needed to subsidize the purchase of these buildings by non-profits. In Portland, the funding would be used to assist acquisition by mission-based non-profits that will continue to operate the properties over the long term for the benefit of low-income tenants.

High home prices and tight credit have put homeownership out of reach for many people seeking to purchase their first home. Moreover, a wide gap (>20%) in the rate of homeownership between households of color and Caucasian households remains. This home ownership gap is not explained by differences in income.

The Alliance's Housing Opportunity Agenda proposes to spend \$100 million on affordable housing for the 2009-2011 biennium. This would be accomplished by raising \$19.6 million through an increase in the document recording fee, and \$5.6 million from renewing the dedication of utility public purpose funds. The remainder would come from the issuance of lottery bonds, and the allocation of General Fund revenues to

affordable housing. The Housing Alliance funding proposal is consistent with the funding request submitted by the Oregon Department of Housing and Community Services. At this time, the proposals diverge in their use of funds, with OHCS seeking to dedicate more to internal operations than the Housing Alliance supports.

The Alliance hopes to dedicate 70 percent of the document recording fee funds to multi-family rental development that will be allocated through the Consolidated Funding Cycle through the Oregon Housing and Community Services Department. This amount will be used to create debt-free housing units, create new multi-family units, and assist in the rehabilitation and preservation of existing housing. Other funds will be dedicated to increasing funding for homeless programs, capacity building (in order to expand the ability of local agencies to develop, manage, and preserve affordable housing), and homeownership programs.

Finally, the Alliance will not seek to lift the preemption on a real estate transfer tax or on using mandatory inclusionary zoning as a tool to increase the number of affordable housing units in the 2009 session.

RURAL PARTNERSHIP

SUPPORT FOR RURAL COMMUNITIES

Objective: Support and advocate for issues of importance to our rural partners that will enhance the health, safety, and vitality of the entire state.

Issue: The health and vitality of urban and rural communities in Oregon are intertwined. During the legislative interim, the Mayor and Council members conducted outreach trips to other parts of the state to learn about the issues of greatest importance to other communities and to explore new partnerships.

These trips reinforced both the similarities and differences in the issues that face urban and rural communities and the interconnectivity between rural and urban areas. Portland will work with its rural partners to support legislative efforts that address uniquely rural issues as well as issues of statewide concern that disproportionately affect rural communities. The following initiatives were identified with help from organizations, agencies and associations that work collaboratively with rural communities.

Federal Forest Payments

- Support the Governor's Federal Forest Payments Task Force recommendation to set up a Joint State-County Services Planning Council to assist Oregon counties in planning for the sunset of the existing four-year extension for federal forest payments. (Association of Oregon Counties)

Access to Health Care

- Support \$ 3 million budget request for the state loan repayment program budget designed to mitigate the shortage of medical practitioners in rural communities. The loan repayment program helps retain and recruit doctors, nurse practitioners, physical assistants, pharmacists and dentists. (Oregon Office of Rural Health)
- Support legislation requiring health plans to reimburse medical practitioners for telehealth and telemedicine services to improve the access to medical services. (Telehealth Alliance of Oregon)

Water

- Support \$2.5 million in lottery revenue-backed bonds for the implementation and of the Umatilla Basin Aquifer Storage and Recovery Project. (Water Resources Department)

Economic Development

- Support increasing the allocation to Small Business Development Centers from \$ 1.1 million in FY 2009-2010 to \$ 2.2 million in the next biennium to help promote entrepreneurship and small business ownership. (Oregon Microenterprise Network)

Ethics Reform

- Support reforms to the state ethics law that safeguard the public, promote clarity in the law, and do not jeopardize the willingness or ability of private citizens to serve in public office. (League of Oregon Cities)

Infrastructure Recapitalization

- Support the Oregon Economic and Community Development Department's request for recapitalization of the Special Public Works Fund. (Oregon Economic and Community Development Department)

TRANSPORTATION

TRANSPORTATION FUNDING

Objective: Advocate for and support the development of a transportation funding package that will provide sufficient funds to allow Oregon's local governments to address a severe backlog of street safety, preservation and maintenance needs and allow the cities and counties to maintain their transportation infrastructure at a sustainable level. Work with stakeholders including the Governor, legislative leadership, ODOT and other local governments to identify local project needs.

Issue: Transportation funding needs have reached a critical level in Oregon and in Portland. The gas tax is the primary ongoing source of funding to build and maintain roads, and the legislature has not raised the gas tax since 1991. In the meantime, inflation and increasing fuel efficiency have dramatically reduced existing funding streams. Dramatically increased construction and fuel costs have diminished the buying power of the gas tax.

A recent report, entitled "The Cost of Congestion to the Economy of the Portland Region" estimated that a "failure to invest adequately in improvements will result in a potential loss valued at \$844 million annually by 2025." By diverting traffic from unmaintained arterials to neighborhood streets, congestion and safety problems will mount and traffic delays will continue.

Portland's street system consists of nearly 3,949 lane miles of improved streets with an estimated asset value of approximately \$5.4 billion. As of July 2006, there were 464 lane miles of arterial streets in poor condition. Over the next ten years, if we do nothing to address the unmet need, this number is expected to increase by 60 percent to 740 lane miles. The local maintenance backlog has a direct impact on safety and congestion. For example, from 2001-2004, just 40 intersections within City limits accounted for 3,721 crashes, 10 fatalities, and 1,425 injuries. The economic cost of these crashes was over \$46 million.

The City of Portland has been a leader, garnering international recognition among metropolitan areas, in the development of transit, bike and system optimization programs. Through the creation of transportation alternatives (streetcar, light rail, bike lanes, etc.) more and more people choose to leave the car at home, thus reducing congestion.

The City of Portland will support a funding packages that, in combination:

- includes a significant investment into the State Highway Trust Fund that is distributed 50 percent to the State, 30 percent to Counties, and

20 percent to Cities. The expenditures should prioritize system safety, maintenance, preservation, operations, and congestion relief;

- includes the indexing of transportation revenue to counteract the effects of inflation and improvements in vehicle mileage;
- supports the expansion or development of funding mechanisms to fund transit (including access to transit) and other high priority needs;
- opposes pre-emption of any existing local authority to raise transportation related revenue;
- allows cities the ability to enact a license fee for vehicles registered within their city limits;
- support an increase in the transit payroll tax; and
- advances measures that reduce carbon emissions.

URBAN RENEWAL

NON-CONTIGUOUS URBAN RENEWAL BOUNDARY EXPANSIONS

Objective: Introduce legislation that will provide clear statutory authority that, under certain circumstances, non-contiguous district boundary expansions to existing urban renewal districts are permissible and oppose any legislation that would adversely affect urban renewal statutes.

Issue: In 2008, City Council passed a resolution in favor of non-contiguous boundary expansions to existing urban renewal areas. Specific criteria had to be met in order for an urban renewal area to be eligible for non-contiguous expansion. City Council also identified property in the David Douglas School District for the first non-contiguous district project.

In summer 2008, City Council approved an urban renewal plan amendment for the River District which included a non-contiguous district in East Portland and budgeted for the construction of a community/school facility. Opponents of the amendment have since filed a lawsuit at the Land Use Board of Appeals challenging the legality of the action. The City believes that current law is sufficient – but seeks legislative action to explicitly clarify the authority and to avoid further litigation costs.

Legislation may be introduced or amended by opponents of urban renewal. The City opposes the following type of legislation or amendments:

- *Opt-out*: legislation allowing a taxing jurisdiction to remove their share from the total property taxes that go to the local urban renewal agency for investment. All jurisdictions directly or indirectly benefit from urban renewal investments. Thus, permitting one to remove their share would not be fair, and would likely lead others to make similar requests;
- *Pass-through*: legislation that requires a certain (often representational) percentage or amount of funding to be directed to certain investments i.e. education or public safety;
- *Veto*: legislation that allows a taxing jurisdiction to veto an urban renewal plan; and
- *Damaging Limitations or Alterations*: legislation could be introduced that would limit amendments to urban renewal district plans, limit the maximum indebtedness of an urban renewal plan, allow operations funding with urban renewal funds.

INITIATIVES

BUREAU OF ENVIRONMENTAL SERVICES

SHARED SEWER CONNECTIONS

Objective: Introduce legislation to create a temporary 'way of necessity' for sewer access for non-landlocked parcels.

Issue: More than 3,000 properties in Portland gain access to public sanitary sewers via shared sewer connections with one or more neighboring properties. Many of these party-line connections exist without the benefit of recorded private sewer easements. Once one of these non-conforming party-line sewer connections is discovered, the City requires the participating property owners to either record the appropriate easements or abandon the non-conforming sewer connections in favor of direct, individual connections to public sanitary sewers. In areas where such sewers are not immediately available, the affected property owner must either extend local sewers at their own considerable expense, or wait for the City to construct a public sewer extension as a part of a capital improvement project or local improvement district project.

In some extreme (and increasingly common) instances, a property owner has presented their neighbor with an untenable choice: (1) pay an exorbitant price for a sewer easement to maintain the party-line connection, or (2) construct the necessary and extremely expensive sewer extension to connect directly to a public sewer.

Existing state law (ORS 376.150 et seq.) provides a 'way of necessity' procedure to create private easements serving landlocked parcels. Such easements can be used for vehicular access and utility access. This statute could be amended to allow temporary private easements for existing private sewer lines when parcels are not landlocked, to allow temporary continuation of an existing party-line sewer connection. To minimize impacts on neighboring properties, the way of necessity for existing sewer lines should be limited.

GENERAL GOVERNMENT

CONDEMNATION

Objective: Introduce legislation that amends the current statute to create incentives for both public entities and private property owners to negotiate in good faith to resolve condemnation cases without going to trial. The legislation will:

- permit the government to revise its pre-lawsuit offer;
- allow the property owner to recover fees if a jury award exceeds the highest pre-lawsuit offer; and
- permit the government, by filing an offer of judgment after the suit has been filed, to limit its exposure to attorney fee awards.

Issue: Condemnation is a tool used by public entities when building public works projects, such as roads, bridges, sewers and water systems. It allows public entities to condemn property required for a public purpose and requires that the property owner be fairly compensated. Public entities obtain independent appraisals in order to offer property owners fair market value for the property interests required for a public purpose. If the public entity and the property owner cannot agree on a price, the public entity can initiate a condemnation case.

The current statute governing condemnation, ORS 35.346(7), was amended by BM 39 (2006), which was aimed at preventing public bodies from condemning private property for a private purpose. However, BM 39 also included a provision that requires the public entity to pay the property owner's costs and attorneys fees if the court's award exceeds the government's *initial* offer. Prior to that change, each party was responsible for its own attorney's fees, unless the value of the property determined by the jury verdict was more than the public entity's *highest* offer made before trial. Thus, under current law, if the trial results in an award that exceeds the *initial* offer, the property owner is entitled to recover, from the public entity, attorney fees and costs related to the condemnation action. This provision results in the unintended and unfair consequences that the property owner always has an incentive to take a condemnation case to trial, because it is likely that a jury will award compensation somewhere between the government's first offer and the property owner's demand. It also means that a public entity will sometimes offer more than the fair market value as compensation, in anticipation of a different appraised value from the property owner. The benefits of this legislation are clear in that it is:

- fair both to the public and to property owners;
- ensures responsible stewardship of public funds; and
- avoids unnecessary use of judicial resources.

GENERAL GOVERNMENT

DELINQUENT UTILITY BILLS

Objective: Obtain legislation that provides municipalities and special service districts with the ability to utilize the full range of collection tools on any delinquent multi-family utility account. Currently, the law provides different remedies for recovering amounts owed for different types of utilities, including water and sewer.

Issue: As of August 2008, more than 20 percent of the top 1,000 delinquent utility counts in Portland were multi-family residential developments with delinquencies totaling nearly \$1 million. On average, about 70 percent of these delinquencies are for sanitary sewer, stormwater management, and Portland Harbor Superfund charges. Currently two sections of State law (ORS 223.594 and 454.225) provide mechanisms for recovering water and sewer charges from delinquent account-holders. These two statutes present a number of problems for the City and other providers.

Water and sewer are treated by different sections of the ORS and provide different tools for collection, which means the City must pursue different courses of action for the water and sewer portions of a delinquent bill. ORS 223.594 governs water accounts and provides for shutoff or a lien against the property. ORS 454.225 governs sewer accounts and allows for shutoff of other utilities to collect payment, tax assessment, and recovery in court. Pursuing different courses of action for collection of the same bill is cumbersome and consumes city resources. It also sometimes results in tenants bearing the responsibility for the landlord's failure of payment. Bringing consistency and uniformity to the statutes allows the collection process to be a single process, lending itself to greater efficiencies. Furthermore, additional tools will give the city the ability to collect unpaid bills in a way that does not injure or inconvenience tenants when it is the landlord's responsibility to pay the bills.

GENERAL GOVERNMENT

PURCHASING

Objective: Introduce legislation that would extend the period of time that local governments have to hold a hearing when requested by a contractor regarding his or her prequalification or disqualification.

Issue: Currently, as part of the selection process to hire a contractor for public improvement projects, contracting agencies may adopt a rule, resolution, ordinance or other regulation requiring mandatory prequalification. Oregon law requires the appeal hearing from a disqualification, denial, revocation, or revision of a prequalification by a contracting agency be held within 30 days if an appeal or request for a hearing is submitted. Under no circumstances can this deadline be changed, even when requested by the contractor or the contractor's attorney.

Under the current time constraint a contractor may not have adequate time to prepare for the hearing. Especially during the peak construction season, pulling personnel away from construction projects can be a burden. Because of the requirement to hold the hearing within 30 days with no allowance for extending the hearing date, the city is unable to consider a request, no matter what the reason may be, to extend the hearing date even if both parties agree more time is needed.

The City of Portland is introducing legislation that would amend state law so that a hearing may be held after the 30 days *if* the contractor requests it. Doing so will allow the administration of the City's prequalification program to take into account the needs of the contractor to adequately prepare for and submit timely information necessary to consider their appeal.

GENERAL GOVERNMENT

BUSINESS LICENSE TAX LOOPHOLE

Objective: Support legislation that would eliminate the exemption currently granted to insurance agents from paying the City's Business License Fee.

Issue: The City of Portland imposes a general business license tax on all businesses operating within its boundaries who are not exempted by local, state, or federal law. Since at least the early 1970's the State of Oregon, in ORS 731.840, has exempted from local taxation and licensing, insurance companies not based in Oregon and insurance agents. Historically, this exemption from taxation presumed to be connected to the retaliatory "premium tax." The "premium tax" was phased out of existence several years ago due to a possible conflict with the Commerce Clause of the 14th Amendment to the U.S. Constitution.

Exempting out of state insurance companies and insurance agents from local taxation is not equitable to other businesses, including domicile insurers operating within the City of Portland and Multnomah County, which currently pay the tax. Furthermore, the justification for the preemption from local taxation is no longer supported by the current milieu since the premium tax was phased out years ago. The City of Portland supports greater equity in its treatment of all business taxpayers.

OFFICE OF MANAGEMENT AND FINANCE

COLLECTION AND APPLICATION OF TAX INCREMENT REVENUES

Objective: Introduce legislation that clarifies the City’s authority to levy, receive and apply tax increment revenues on behalf of the Portland Development Commission.

Issue: Under its Charter, the City of Portland is required to hold the Portland Development Commission’s (“PDC”) tax increment revenues, issue bonds that are payable from those tax increment revenues, and apply those tax increment revenues to pay the bonds. Oregon statutes adopted in 1997 in connection with “Measure 50” (Article XI, Section 11 of the Oregon Constitution) contemplate that urban renewal agencies (such as PDC) will levy and collect tax increment revenues, issue bonds for urban renewal projects, and apply the tax increment revenues to pay those bonds. The Tax Supervising and Conservation Commission (“TSCC”) has brought to the City’s attention that ORS 457.440 authorizes only the “urban renewal agency” to levy and collect taxes. The proposed statutory change will clarify that the City may continue to comply with its charter and take all actions necessary to levy, collect, receive, hold, and apply tax increment revenues.

PLANNING

DESIGN REVIEW

Objective: Introduce legislation to expand the authority to review building designs for medium to large residential housing projects and mixed-use developments in order to ensure that these developments fit within the character of the community. Streamline this authority with current land use reviews in order to minimize any impact on housing affordability.

Issue: It is important to create, throughout the City, well-designed, safe neighborhoods where people want to live. Residents in all parts of the City deserve equal treatment when it comes to creating quality places to live. Design review for medium and high density housing is an important planning tool that will help ensure community livability even as areas of the City develop and grow.

The City and the region are growing and will require major public investments. However, this growth is uneven; for example, people living in the City's fastest growing neighborhoods in East Portland face major challenges building quality places to live. Major public investments (e.g. Light Rail Transit) in East Portland will be made to accommodate high density housing, and this growth requires a level of oversight upon which current and future residents can rely. Neighborhoods that develop with concentrations of poorly designed higher density apartments will cost more public funds to redevelop later and will demand greater public safety services. Nationally, HUD's HOPE VI program is an example of public reinvestment costing millions to correct the outcomes of poorly designed housing projects. Good design, however, preserves a building's value through lower life-cycle costs, lower maintenance costs, and lower tenant turnover. Building design can also take into account crime prevention features. It is unfair that low and moderate income neighborhoods cannot enjoy the same expert design oversight as higher income neighborhoods in historic districts and the central city.

In 1997, state land use law changes limited Portland's design review authority for any development that included housing. This change tilted the playing field and gave developers the choice of whether to voluntarily go through design review or build by a set number of standards that fail to take in account the characteristics of the specific site and the surrounding community. As a result, Portland's design review authority is restricted except in three areas of the city: the Central City, the Gateway Plan District (a 2040 regional center), and historic districts. Portland seeks to restore its previous authority and even the playing field for places like East Portland.

PUBLIC RECORDS

DRAFT AUDIT REPORTS

Objective: Introduce legislation amending ORS 192.502 to include preliminary draft audit reports and related workpapers as exempt from public disclosure.

Issue: Draft audit reports and workpapers are currently considered non-confidential public records that can be requested by agencies and persons that are the subject of an audit and by reporters, before the audit work has been completed and quality review for accuracy is finished. Furthermore, obtaining workpapers prior to the release of the audit can compromise an auditor's ability to complete the audit work, and publishing the contents of a preliminary draft audit can undermine the credibility of an audit. The City's legislation will provide for the release of draft audit and workpapers once the audit is completed. Audit Standards require a quality control review to ensure accuracy before an audit is released. In addition, early access to work papers could undermine efforts to persuade the audited agency to change its practices. As a result, work on the public's behalf, through the auditing function, can be less effective. In order to ensure accountability, once the audit report is released the preliminary draft and workpapers would become available to the public.

PUBLIC SAFETY

FORFEITURE OF VEHICLES USED IN DRIVE-BY SHOOTINGS

Objective: Introduce legislation that will explicitly permit the civil and criminal forfeiture of vehicles used in a drive-by shooting.

Issue: When a vehicle is used in a drive-by shooting, not only are the individuals who are within the car committing an illegal act, they are endangering the public. There have been many instances whereby innocent bystanders have been victimized during these senseless acts. More serious consequences need to be created to penalize those individuals who engage in this type of behavior – even if nobody is injured. By including vehicles that are used in the commission of a drive-by shooting, not only will those people who engage in this type of behavior be criminally liable for those acts, they will also face the possibility of losing their personal property.

TRANSPORTATION

CITY VEHICLE REGISTRATION FEES

Objective: Introduce legislation that would authorize cities to impose a vehicle registration fee for road purposes within the city.

Issue: In Portland, and in communities across the state, transportation funding needs have reached a critical level. The primary ongoing source of revenue available to cities for the construction and maintenance of roads, the gas tax, is no longer able to meet the transportation funding needs of cities. The combination of inflation and increased fuel efficiency has dramatically reduced this funding stream, while rising construction and fuel costs have diminished its buying power.

In Portland, this has resulted in a significant unmet need, which is defined as the cost to bring all our assets up to “good” condition. Portland’s street system consists of nearly 3,949 lane miles of improved streets with an estimated asset value of approximately \$5.4 billion. As of July 2006, there were 464 lane miles of arterial streets in poor condition, and over the next ten years, if nothing is done to address the unmet need, this number is expected to increase by 60 percent to 740 lane miles. Furthermore, the Portland Department of Transportation (“PDOT”) faces a several hundred million dollar unmet need in the pavement preservation program. Aside from the pavement preservation program, there is a \$338 million unmet need for street lights, street signs, traffic signals, structures, and the sidewalk system.

Currently, ORS grants this authority to counties and special districts but not cities. The City of Portland will introduce legislation that will grant this same authority to cities to enact a vehicle registration fee. The ability to impose a vehicle registration fee at the city level is an important step for Portland, and cities across the state, in addressing transportation maintenance backlogs.

TRANSPORTATION

DISABLED PARKING PERMITS

Objective: Introduce legislation amending ORS 811.605 and require that persons renewing a disabled placard must submit a doctor's statement regarding the individual's continued eligibility for a disabled parking permit.

Issue: The Oregon Department of Transportation ("ODOT") through the Department of Motor Vehicles ("DMV") issues disabled parking permits. Permanent permits are valid for as long as the individual's license, permit, or identification card is valid and may be renewed when the license, permit or identification card is renewed. As the license renewal period may be up to 8 years, the disabled permit is valid for this length of time. There is currently no requirement for proof of eligibility at the time of renewal. Consequently, there are a large number of permits that are presently valid for persons who are no longer disabled, creating circumstances where permits may be used improperly.

This proposed modification would require that the disabled person have their doctor certify that the person is disabled and eligible for a permit prior to the renewal of the permit every eight years.

TRANSPORTATION

RAILROAD CROSSING CLOSURES

Objective: Introduce legislation that will give a greater weight to the economic impact and safety needs of a community when a determination is being made on altering, relocating, or eliminating at-grade railroad crossing.

Issue: Rail crossings are essential for providing mobility and access to business properties and for emergency vehicles. The existing statute (ORS 824.206) regarding the alteration, relocation, or elimination of railroad grade crossings does not require the ODOT Rail Division to consider the impact that the alteration, relocation or elimination of a rail crossing may have on the other public safety needs or the economic impact of the proposed action on the local communities affected by the crossing alteration order.

It is in the public's interest that when considering the alteration or closure of a rail crossing, the ODOT Rail Division consider the general community safety, including access for emergency vehicles, and economic vitality that an alteration, relocation, or elimination of a rail crossing may have on the affected community. The statute should emphasize collaboration by the ODOT Rail Division, the railroad, and the public authority in determining an appropriate response to the resolution of rail crossing concerns.