

**PORTLAND CITY COUNCIL AGENDA
 City Hall - 1221 SW Fourth Avenue
WEDNESDAY, 9:30 AM, AUGUST 7, 2019**

Disposition:

TIMES CERTAIN

745 **TIME CERTAIN: 10:00 AM** – Amend Original Art Murals Code to expand the location where murals are allowed (Ordinance introduced by Mayor Wheeler; add Code Chapter 4.11; amend Chapters 4.12 and 4.20) 30 minutes requested

This ordinance amends City Code Chapter 4.12 and 4.20 and adds to Code Chapter 4.11 to expand the location where murals are allowed in the City. The Ordinance does not have any direct fiscal costs to the City, but there could be an unknown monitoring and implantation costs due to the allowance of more types of murals in additional locations. The Bureau of Development Services do not expect permit volume to significantly increase because of these changes. Additionally, these changes will not require additional staff time to implement.

746 **TIME CERTAIN: 10:30 AM** – Authorize grant agreement with Worksystems, Inc. for the SummerWorks youth employment program and Black Male Achievement Initiative within City Bureaus for summer 2019 for an amount not to exceed \$551,600 (Ordinance introduced by Mayor Wheeler) 30 minutes requested

The FY 2019-20 Adopted Budget includes \$560,000 dedicated to the SummerWorks program in the Bureau of Human Resources.

CONSENT AGENDA – NO DISCUSSION

Mayor Ted Wheeler
 Bureau of Development Services

AUGUST 7, 2019

747

Authorize a Letter of Agreement with the American Federation of State, County, and Municipal Employees Local 189 and Professional Technical Employees Local 17 permitting Plan Review Staff to review certain mechanical permits during periods of high workload, economic downturn, employee turnover, and vacation (Second Reading Agenda 705)

This agreement allows for up to 520 hours (0.25 FTE) of mechanical reviews to be assigned to Plan Review staff and will result in additional expenditures due to increased pay while working in a higher classification. The actual additional expenditures will depend on employee classifications and tenure. However, BDS estimates that the impact will be approximately \$1,500 in the event all 520 hours are assigned. This Letter does not amend BDS's budget as the financial impact will be absorbed within existing resources. There is no change to staffing levels.

Bureau of Planning & Sustainability	
<p>*748</p> <p>Reaffirm annexation to the City of Portland of property within the boundaries of the City Urban Services Boundary in case number A-1-18, on the west side of the City on the northwest side of NW Hilltop Dr and provide a revised legal description and map meeting the standards of the Oregon Department of Revenue (Ordinance; amend Ordinance No. 189308)</p>	<p>This ordinance adopts a revised legal description and map for a single dwelling residential property that was annexed to the City last December (Ordinance No. 189308), as required by the Oregon Department of Revenue. There is no fiscal impact associated with this revision. As stated in CBO's Fiscal Impact Statement for Ordinance No. 189308, the financial impacts for the annexation itself are expected to be minimal.</p>
Office for Community Technology	
<p>749</p> <p>Authorize an Intergovernmental Agreement with Multnomah County, the City of Fairview, the City of Gresham, the City of Troutdale, and the City of Wood Village to oversee a Municipal Broadband feasibility study (Second Reading Agenda 706)</p>	<p>This ordinance authorizes the City of Portland to enter into an IGA with Multnomah County and other partner jurisdictions to explore the feasibility of a municipal broadband system for the region. The feasibility study is to be performed by a consultant, with estimated total cost for the report at \$300,000. The City of Portland previously allocated \$25,000 in FY 2018-19 to support the development of the current scope of work. Of the \$300,000 total cost, only \$233,200 is currently covered by participating jurisdictions. Other jurisdictions will likely request that the City fund the deficit of \$66,800 in the future, though this ordinance does not explicitly authorize that additional contribution.</p>
Office of Management and Finance	

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*750	Authorize an agreement with Southeast Uplift Neighborhood Program Inc. to hire an independent contractor to manage the Portland United Against Hate program and coalition in an amount not to exceed \$36,538 (Ordinance)	No fiscal impact. Funding of \$300,000 for administrative management of Portland United Against Hate was included in the FY 2019-20 Adopted Budget within Special Appropriations.
*751	Pay property damage claim of Lonnie Thompson in the sum of \$5,273 resulting from a vehicle collision involving the Portland Police Bureau (Ordinance)	Claim of \$5,273 will be funded within the Insurance & Claims Operating Fund.
*752	Pay property damage claim of Valley Scapes in the sum of \$10,142 involving the Portland Bureau of Transportation (Ordinance)	Claim of \$10,142 will be funded from the Insurance & Claims Operating Fund.
*753	Pay property damage claim of Anthony Van Ho in the sum of \$6,381 resulting from a motor vehicle collision involving Portland Parks and Recreation (Ordinance)	Claim of \$6,381 will be funded from the Insurance & Claims Operating Fund.
Portland Housing Bureau		This action would result in estimated foregone property tax revenues to the City totaling \$13,285 over ten years for 4 units affordable at or below 80% MFI. Total cost to all jurisdictions forgoing revenue is estimated at \$40,255 The estimated value of the tax exemption for the first year is \$4,371 (all jurisdictions), which equals approximately \$1,093 per affordable unit per year of affordability. The City will still benefit from property taxes collected on the improved value of the land during the exemption period. The City will pay Multnomah County the \$3,400 application activation fee if the application moves forward.
*754	Approve application under the Multiple-Unit Limited Tax Exemption Program under the Inclusionary Housing Program for Lombard 2 located at 5150 N Lombard St (Ordinance)	

*755	Approve application under the Multiple-Unit Limited Tax Exemption Program under the Inclusionary Housing Program for Marquam Hill Apartments-Building 1 located at 3192 SW 12th Ave (Ordinance)	This action would result in estimated foregone property tax revenues to the City totaling \$19,565 over ten years for 3 units affordable at or below 60% MFI. Total cost to all jurisdictions forgoing revenue is estimated at \$59,286. The estimated value of the tax exemption for the first year is \$6,438 (all jurisdictions), which equals approximately \$2,146 per affordable unit per year of affordability. The City will still benefit from property taxes collected on the improved value of the land during the exemption period. The City will pay Multnomah County the \$2,550 application activation fee if the application moves forward.
*756	Approve application under the Multiple-Unit Limited Tax Exemption Program under the Inclusionary Housing Program for Marquam Hill Apartments-Building 2 located at 3158 SW 12th Ave (Ordinance)	This action would result in estimated foregone property tax revenues to the City totaling \$11,307 over ten years for 2 units affordable at or below 60% MFI. Total cost to all jurisdictions forgoing revenue is estimated at \$34,263. The estimated value of the tax exemption for the first year is \$3,721 (all jurisdictions), which equals approximately \$1,861 per affordable unit per year of affordability. The City will still benefit from property taxes collected on the improved value of the land during the exemption period. The City will pay Multnomah County the \$1,700 application activation fee if the application moves forward.

<p>Commissioner Jo Ann Hardesty</p> <p>Portland Bureau of Emergency Management</p>		
<p>757</p>	<p>Repeal outdated City Code Title 12 Air Pollution Emergency Episodes (Second Reading Agenda 711; repeal Code Title 12)</p>	<p>No fiscal impact.</p>
<p>Commissioner Chloe Eudaly</p> <p>Bureau of Transportation</p>		
<p>758</p>	<p>Authorize an Intergovernmental Agreement with Oregon Department of Transportation for the right-of-way services of the Seventies Neighborhood Greenway project (Second Reading Agenda 717)</p>	<p>Total project cost is \$5.0 million. This authorization approves an IGA for right-of-way services only. The project is budgeted in PBOT's FY 2019-20 Adopted Budget.</p>
<p>Commissioner Nick Fish</p> <p>Bureau of Environmental Services</p>		
<p>759</p>	<p>Authorize an Intergovernmental Agreement between the Bureau of Environmental Services and the Port of Portland for use of each agencies' compressed natural gas fueling facility in the event that such party's facility is inoperable not to exceed \$1,000 per calendar year (Second Reading Agenda 718)</p>	<p>The costs associated with this agreement will be absorbed into the Sewer System Operating Fund.</p>
<p>City Auditor Mary Hull Caballero</p>		
<p>760</p>	<p>Approve Council Minutes for January - June 2018 (Report)</p>	<p>No fiscal impact.</p>
<p>REGULAR AGENDA</p>		
<p>Mayor Ted Wheeler</p> <p>Bureau of Development Services</p>		
<p>761</p>	<p>Appoint Dan Carlson, Tom Lisch, Bryrick Shillam and reappoint Karla Divine and Jesse Fox to the River Community Advisory Committee for three-year terms (Report) 10 minutes requested</p>	<p>No fiscal impact.</p>
<p>Office of Management and Finance</p>		
<p>762</p>	<p>Accept bid of Anderson Environmental Contracting, LLC for the City of Portland Fuel Station Replacements Project for \$4,078,258 (Procurement Report - Bid No. 00001238) 20 minutes requested</p>	<p>Contract cost will be funded from available resources in the Facilities Services Operating Fund. Original contract cost estimate was \$5 million.</p>

<p>763</p>	<p>Accept bid of Stettler Supply Company dba Stettler Supply & Construction for the NE Broadway & 94th Pump Station Upgrade Project for \$1,799,126 (Procurement Report – Bid No. 00001242) 10 minutes requested</p>	<p>The funding for this project is allocated in BES' FY 2019-20 Budget. Funds will be drawn from the Sewer System Operating Fund.</p>
<p>764</p>	<p>Authorize water revenue bonds to finance water system capital improvements and refund water revenue bonds (Ordinance) 10 minutes requested</p>	<p>This ordinance authorizes water revenue bonds to finance a portion of the Water Bureau's capital plan and refund water revenue bonds. Estimated annual debt service on the New Money Bonds is expected not to exceed approximately \$9.4 million. Present value savings to the Water Bureau resulting from the refunding of Refundable Bonds are expected to be approximately \$6.1 million through FY 2034-35. The generation of net revenues at least equal to 125% is the same coverage ratio required in previous first lien issues. The bureau currently plans to issue debt every 12 months through the completion of the filtration plant in FY 2027-28. After that time, new debt is planned to be issued every 24 months.</p>

<p>765 Approve findings to authorize an exemption to the competitive bidding requirements and authorize the use of the alternative contracting method of Construction Manager/General Contractor in connection with the Downtown/Old Town SW Main/Taylor Sewer Rehabilitation Project for an estimated amount of \$7.1 million (Second Reading Agenda 725)</p>	<p>This ordinance authorizes an exemption to the standard competitive bidding process for a sewer rehabilitation project in Downtown/Old Town. The estimated Construction Contract cost is \$7,100,000. The estimated total Project cost is \$12,868,000, including construction, design services, project management/staff costs, construction management and other direct costs and contingences. These estimates are low confidence. This project is part of BES' Large Scale Sewer Rehabilitation Program, which is funded through FY 2030.</p>
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Portland Housing Bureau		
766	Establish an annual residential rental unit registration fee to fund the Housing Bureau's Rental Services Office from the Housing Investment Fund (Second Reading Agenda 727)	See below.
Commissioner Chloe Eudaly		
Bureau of Transportation		
767	Vacate portions of SE 106th Ave, SE 108th Ave, SE 110th Ave, SE Bybee Blvd, and SE Duke St south of SE Foster Rd subject to certain conditions and reservations (Hearing; Ordinance; VAC-10124) 10 minutes requested	Total cost of vacating portions of SE 106th Ave, SE 108th Ave, SE 108th Ave, SE 110th Ave, SE Bybee Blvd, and SE Duke St south of SE Foster Rd are estimated (moderate confidence) at \$7,500 and is to be paid for by the Bureau of Environmental Services (BES). This project is budgeted in both PBOT's and BES' FY 2019-20 budgets.
768	Amend Vehicles and Traffic and Public Improvements codes to add necessary clarification and update language to align with current City practices (Second Reading Agenda 728; amend Code Title 16 and 17; add Chapter 17.109)	No fiscal impact.
769	Vacate SE 64th Ave south of SE Sherman St subject to certain conditions and reservations (Second Reading Agenda 729; VAC-10122)	Total cost of vacating SE 64th Ave is estimated (moderate confidence) at \$22,000 and is to be paid for by Portland Parks & Recreation. This project; expenses and revenues, are budgeted in both PBOT's and PP&R's FY 2019-20 budgets.
770	Vacate a portion of SW 9th Ave between SW Gibbs St and SW US Veterans Hospital Rd subject to certain conditions and reservations (Second Reading Agenda 730; VAC-10123)	Total cost of vacating SW 9th Ave is estimated (moderate confidence) at \$7,500. The Petitioner will reimburse PBOT for the cost associated with street vacating. This project is budgeted in PBOT's FY 2019-20 budget.

<p>Commissioner Amanda Fritz</p> <p>Water Bureau</p>		
<p>771</p>	<p>Amend contract with AECOM Technical Services, Inc. to provide \$1 million in additional funding for the Engineer of Record services required to complete the Reservoir Structure for the Washington Park Reservoirs Improvements Project (Ordinance; amend Contract No. 30003252) 10 minutes requested</p>	<p>For items 771-773: The total project cost for the Washington Park Reservoir Improvements Project is \$205.0 million. The amendment for AECOM Technical Services, Inc. is funded through the existing project budget. The amendment for Cornforth Consultants, Inc., as well as the new contract with West Yost Associates will be funded through project contingency. All three contracts are budgeted in the Water Bureau's FY 2019-20 Adopted Budget and five-year capital improvement plan. These amendments and new contract issuance do not have an impact on rate payers. The project requires additional time to complete, allowing the soil time to settle prior to construction. This is the main reason for the amendments and extension.</p>
<p>772</p>	<p>Amend contract with Cornforth Consultants, Inc. for geotechnical design services for the Washington Park Reservoir Improvements Project in the amount of \$830,000 (Ordinance; amend Contract No. 30003064) 10 minutes requested</p>	
<p>773</p>	<p>Authorize a contract with West Yost Associates for construction support services for the Washington Park Reservoirs Improvements Project in the amount of \$6,199,300 using a sole source procurement (Ordinance) 10 minutes requested</p>	
<p>Commissioner Nick Fish</p> <p>Bureau of Environmental Services</p>		
<p>774</p>	<p>Amend ordinance to authorize a competitive solicitation and contract with the lowest responsible bidder for construction of NE Broadway & 94th Pump Station Upgrade Project No. E10783, in the amount of \$1,799,126 (Ordinance; amend Ordinance No. 189438) 10 minutes requested</p>	<p>The funding for this project is allocated in BES' FY 2019-20 Budget. Funds will be drawn from the Sewer System Operating Fund.</p>

<p>775 Amend contract with Moore Excavation, Inc. for additional compensation to complete existing contract work due to increased bid item quantities and changed conditions for the Slabtown Sewer Replacement Project No. E10663 not to exceed \$4,157,000 (Second Reading Agenda 737; amend Contract No. 30006131)</p>	<p>This ordinance amends Contract No. 30006131 with Moore Excavation, Inc. for additional compensation not-to-exceed an amount of \$4,157,000. The estimated amended not-to-exceed amount of the contract is \$12,580,219, which is 49.4% above the original contract. The level of confidence is moderate. Resources for the increased not to exceed amount are available in the bureau's FY 2019-20 Budget in the Sewer System Operating Fund.</p>
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WEDNESDAY, 2:00 PM, AUGUST 7, 2019

776 **TIME CERTAIN: 2:00 PM – Arts Affordability Progress Report**
(Report introduced by Commissioners Fish and Eudaly) 30
minutes requested

No fiscal impact. The FY 2019-20 Adopted Budget includes a one-time Special Appropriation of \$35,000 to the Regional Arts and Culture Commission (RACC) to create a cultural database for the Cultural Mapping Project.

766 Establish an annual residential rental unit registration fee to fund the Housing Bureau's Rental Services Office from the Housing Investment Fund

CBO Analysis

The Rental Registration fee has been structured with the goal of raising \$3.6 million annually to support the Housing Bureau's Rental Services Office (RSO) and associated collection costs in the Revenue Division. This revenue target includes both costs that are currently funded with one-time resources as well as new anticipated expenditures.

- For the Housing Bureau, this includes all current Rental Services Office staff, programming, and indirect costs currently funded by one-time resources, including services that are new or being piloted in FY 2019-20. The budget includes the ongoing support for a separate, Commercial Off-the-Shelf system to collect Rental Registration unit data, but does not include funding to purchase said system.
- For the Revenue Division, this includes three FTE and associated materials and services, outreach materials, bureau overhead, and the Rental Registration's allocation of Integrated Tax System maintenance.

There are a number of low-confidence factors embedded in the fee revenue assumptions that could either cause over-recovery or under-recovery of program costs, depending on the outcome of new pilot programming and services and compliance functions. The fee as structured may ultimately over-collect if various pilots in the RSO are ultimately not scaled and made permanent. In addition, there are several new RSO services and compliance functions, the ultimate cost of which be higher or lower than currently anticipated. It will be important for the Revenue Bureau and the Housing Bureau to reconsider the fee structure and level after an acceptable trial period whereby ongoing program costs are more known.

The proposed fee assumes that the Rental Services Office will continue receiving ongoing General Fund and federal support of \$1.3 million to fully fund RSO operations. If fee revenues are sufficient, this General Fund subsidy could be reduced in the future. Alternatively, lower compliance could drive choices about which programs to cut or scale, require a General Fund subsidy to maintain current proposed service levels, increase enforcement costs, and/or require fee increases in future years.

Key Expenditure Risks and Uncertainties

- It is uncertain whether programs currently funded as pilot projects will be converted to ongoing programs. \$250,000 is budgeted in FY 2019-20 for pilot programs related to records expungement and mediation services.
- Estimates to implement the recently-adopted FAIR program are based on analysis completed by the bureau for Requested Budget submission in January 2019; actual costs may vary from these early initial estimates.
- It is uncertain whether the Housing Bureau will procure a separate Rental Registration system expansion to facilitate collection of unit data. The fee structure as proposed assumes \$650,000 in ongoing system maintenance costs based on a \$5/unit fee quote provided by a vendor. However, no

funding source has been identified for procurement of the system itself, estimated at \$900,000 (including software procurement, project management costs, and configuration).

- It is unclear at this point how this new system and the tax platform (either the current BLISS or upcoming Integrated Tax System) will interface or what the total cost will be for integration. It is also unclear how compliance efforts will be coordinated (both internally and from a user experience perspective), and what impact this may have on operational costs in both bureaus.

Key Revenue Risks and Uncertainties

- The \$60 per unit annual fee assumes a year one 60% compliance rate, increasing to 80% over a five year horizon. As the Rental Registration program is unlike other fees administered by the Revenue Division, it is difficult to predict compliance and this is a low-confidence estimate. Actual compliance rates could be substantially lower or higher.
- Full data is not yet available from the first year of the Rental Registration program, which was mandatory but did not include a fee. Although only 14,000 units (out of 120,000 eligible) had registered in the April Business License Tax filing, the Revenue Division notes that most large property owners opt for the extended filing due date in October.
- As noted above, the fee scenario relies on both ongoing General Fund and federal support rather than full recovery of all costs through the Rental Registration fee.
- The fee may only be used for the Rental Services Office. Depending on choices made by Council about which services to fund and based upon actual unit numbers and compliance rates, it is possible that the fee could bring in revenue above and beyond what is required to fund costs currently backed by one-time resources.