

<b>PORTLAND CITY COUNCIL AGENDA</b> <b>City Hall - 1221 SW Fourth Avenue</b> <b><u>WEDNESDAY, 9:30 AM, JANUARY 15, 2020</u></b>		<b>Disposition:</b>
<b>TIMES CERTAIN</b>		
<b>31</b>	<b>TIME CERTAIN: 9:45 AM</b> – Accept the Year Four Bond Oversight Committee Report on the \$68 million Parks 2014 General Obligation Bond (Report introduced by Mayor Wheeler) 15 minutes requested	No fiscal impact.
<b>32</b>	<b>TIME CERTAIN: 10:00 AM</b> – Authorize an Intergovernmental Agreement between the Office of Management and Finance, the Office of Equity and Human Rights and Prosper Portland to pilot the administration of the Community Opportunities and Enhancements Program (Ordinance introduced by Mayor Wheeler) 45 minutes requested for Items 32 and 33	See below.
<b>33</b>	Authorize the Office of Management and Finance to utilize funds from the Water Bureau Washington Park Reservoirs Improvements Project in the amount of \$1,120,000 to support the Community Opportunities and Enhancements Program (Ordinance introduced by Mayor Wheeler)	The Ordinance authorizes OMF and OEHR to collect the \$1,120,000 from the Washington Park Reservoirs Improvements Project and disburse it to Prosper Portland for piloting the administration of the COEP as outlined in Council Item #32. The \$1,120,000 of funding from the Washington Park Reservoirs Improvements Project has been budgeted in the Water Bureau's budget for the Project.

<p><b>34</b>      <b>TIME CERTAIN: 10:45 AM</b> – Appeal of the Southwest Hills Residential League against the Hearings Officer’s decision to approve, with conditions, a 1-lot partition with concurrent environmental and planned development review adjacent to 1315 SW Broadway Dr (Previous Agenda 1102; Findings introduced by Mayor Wheeler; LU 18-119056 LDP EN PD) 5 minutes requested</p>	<p>This is an appeal of a Type III quasi-judicial land use review (not legislation). The City Council decision on this matter will not have financial or budgetary impacts on the City. Generally, Land Use Reviews are fee supported. In this case, the appeal fee was waived because the appellant is a Recognized Organization as defined by Portland Zoning Code 33.910. City costs associated with this appeal are for staff time to process the appeal.</p>
<p><b>CONSENT AGENDA – NO DISCUSSION</b></p> <p><b>Mayor Ted Wheeler</b></p> <p><b>Office of Management and Finance</b></p>	
<p><b>*35</b>      Pay property damage claim of Erich Litch in the sum of \$54,826 involving the Portland Bureau of Environmental Services (Ordinance)</p>	<p>The source of funding is the City's Insurance and Claims Fund. All costs of the settlement is in the current fiscal year.</p>
<p><b>Commissioner Amanda Fritz</b></p> <p><b>Water Bureau</b></p>	
<p><b>36</b>      Accept contract with TEK Construction, Inc. for the construction of the Greenleaf Pump Station Project as complete, release retainage and authorize final payment (Report; Contract No. 30005990)</p>	<p>The Water Bureau Impact Statement states: The original contract with TEK Construction Inc. for construction of the Project was in the amount of \$1,286,550. No changes were made to the Contract value and the final construction contract total was \$1,201,848.94, which was 6.58% under the original contract amount. The final total of the Project was approximately \$3,100,000.</p>
<p><b>Commissioner Chloe Eudaly</b></p>	

**Bureau of Transportation**

*37	<p>Authorize the Transportation Director to sign an agreement with the Union Pacific Railroad Company for construction services for the North Rivergate Overcrossing Project (Ordinance)</p>	<p>This ordinance authorizes an agreement between PBOT and Union Pacific Railroad for rail flagging services and the removal of the existing track crossings and gates to accommodate the construction of PBOT's for the North Rivergate Overcrossing Project on North Rivergate Blvd. The cost for this portion of the project is \$459,236. The total amount budgeted in PBOT's FY 2019-20 Budget and CIP is \$16.9 million; the total cost of the project is \$25.8 million.</p>
*38	<p>Accept a grant in the amount of \$1,200,000 from Oregon Department of Transportation, authorize Intergovernmental Agreement for NE Airport Way Intelligent Transportation Systems from 82nd Ave to Riverside Rd and appropriate \$150,000 in the FY 2019-20 budget (Ordinance)</p>	<p>This ordinance accepts a \$1.2 million grant from ODOT and authorizes an intergovernmental agreement to construct Intelligent Transportation Systems (ITS) along NE Airport Way to monitor traffic and improve traffic signal coordination along the corridor. The ordinance appropriates \$150,000 in PBOT's FY 2019-20 Budget. This grant does not have a matching requirement. The bureau states that the grant will cover the total cost of the project.</p>
<p><b>REGULAR AGENDA</b>  <b>Mayor Ted Wheeler</b>          Bureau of Planning and Sustainability</p>		

<p><b>39</b> Authorize an Intergovernmental Agreement with Metro for a total amount of \$841,931 for the Annual Waste Reduction Plan, Recycle at Work, and Business Food Waste Requirement (Second Reading Agenda 12)</p>	<p>This ordinance accepts an intergovernmental agreement with Metro in the amount of \$841,931 in FY 2019-20 to support the Annual Waste Reduction Plan, Recycle at Work, and Business Food Waste Requirement. The funding amount of \$819,778 was included in BPS' FY 2019-20 Adopted Budget, and the remaining funding of \$22,153 will be appropriated in FY 2019-20 Spring Budget Monitoring process. No City match is required.</p>
<p><b>40</b> Authorize a matching grant fund, not to exceed \$460,596, and grant agreements to assist in the cost to purchase and install safety equipment, specifically side guards, on garbage and recycling collection vehicles (Second Reading Agenda 13)</p>	<p>See below.</p>
<p><b>Bureau of Environmental Services</b></p>	
<p><b>41</b> Amend contract with Parametrix, Inc. for professional engineering services for the Lombard Pump Station Upgrade, and Forcemain Replacement Project No. E10920 in the amount of \$691,373 (Second Reading Agenda 17; amend Contract No. 30006282)</p>	<p>The original not to exceed value of this contract was \$959,746. This amendment will add \$691,373 and increase the contract to \$1,651,119, an increase of 72% over the current contract. The level of confidence for this contract is Low. Funding for the project is available in the Bureau of Environmental Services' FY 2019-20 CIP budget in the Sewer System Operating Fund and will be requested in the FY 2020-23 budgets.</p>

<p><b>42</b> Authorize a contract with Jacobs Engineering Group Inc. for professional services for the Collections System Force Main Evaluation Project for \$4,498,823 (Second Reading Agenda 18)</p>	<p>The contract term is approximately five years. The amount of the contract is \$4,498,823 with a moderate confidence level. Funding for services required under the contract are included in the Bureau of Environmental Services' FY 2019-20 Adopted budget and will be requested in the FY 2020-24 budgets.</p>
<p><b>Office of Management and Finance</b></p>	
<p><b>43</b> Accept bid of M.J. Hughes Construction, Inc. for the Tryon Creek at Boones Ferry Culvert Replacement Project for \$4,993,052 (Procurement Report - Bid No. 00001351) 15 minutes requested</p>	<p>Based on bids received, the Bureau of Environmental Services (BES) anticipates the construction contract cost to be \$4,993,052. The engineer's estimate for this project was \$5,360,000 and the confidence level was High. Funds are available in BES's FY 2019-20 budget in the Sewer System Operating Fund.</p>
<p><b>44</b> Accept bid of Landis &amp; Landis Construction, LLC for the Slough Outfall 100 Project for \$2,036,001 (Procurement Report - Bid No. 00001356) 15 minutes requested</p>	<p>The engineer's estimate for this project was \$1,760,000 and the confidence level was high. Based on bids received the Bureau of Environmental Services (BES) anticipates the construction contract cost to be \$2,036,001, which is 15.68% over the engineer's estimate. Funds are available in BES's FY 2019-20 budget in the Sewer System Operating Fund.</p>
<p><b>45</b> Adopt revised Debt Management Policy, a component of the City's Comprehensive Financial Management Policies, to address the City's issuance and management of debt (Resolution; amend FIN 2.12) 15 minutes requested</p>	<p>See below.</p>

<p><b>46</b> Direct the Chief Procurement Officer to sign the Construction Career Pathways Project Framework and commit to continuing to support the regional workgroup led by Metro (Resolution) 30 minutes requested</p>	<p>There are no direct fiscal impacts resulting from this legislation. The Framework outlines seven policy initiatives related to diversification of the construction workforce; however Procurement Services does not believe there will be any increased costs to the City or additional capacity necessary to meet outlined initiatives and continue support of the regional workgroup. The Division notes that policy recommendations aligned with the Framework may result down the line.</p>
<p><b>47</b> Approve funding recommendations made by Children’s Levy Allocation Committee to renew the Community Childcare Initiative for July 1, 2020 – June 30, 2023 (Second Reading Agenda 20)</p>	<p><b>Portland Children’s Levy</b></p> <p>No General Fund impact. This Ordinance approves \$5.1 million in funding over three years (July 1, 2020 through June 2023) for the Community Childcare Initiative (CCI), a Special Initiative of the Portland Children’s Levy (PCL). Allocating \$5.1 million for non-competitive grants to the CCI will renew the funding at its current service level. The most recent Levy renewal will generate approximately \$21-\$25 million annually for the following program areas: early childhood, after-school, mentoring, child abuse prevention and intervention, foster care and hunger relief. The CCI Special Initiative addresses the early childhood and after school program areas and focuses on childcare affordability.</p>

<p><b>Commissioner Jo Ann Hardesty</b></p> <p><b>Portland Bureau of Emergency Management</b></p>		
<p><b>*48</b></p>	<p>Authorize an Intergovernmental Agreement with Multnomah County to provide financial and technical resources to assist with the County's project Multnomah County Liquid Fossil Fuels Inventory Assessment not to exceed \$50,000 (Ordinance) 15 minutes requested</p>	<p>Ordinance authorizes PBEM to pay \$50,000 towards the CEI Hub study. These costs were approved in the FY 2019-20 Fall BMP and are budgeted in PBEM's current year appropriation.</p>
<p><b>Commissioner Chloe Eudaly</b></p> <p><b>Bureau of Transportation</b></p>		
<p><b>49</b></p>	<p>Authorize a contract for \$4 million with Conduent State &amp; Local Solutions, Inc. to provide ongoing photographic traffic enforcement services for the City's current photographic enforcement system (Ordinance) 20 minutes requested</p>	<p>The estimated contract value is a not to exceed amount of \$4 million. The contract is funded by receipts of citation fine and class fee revenues from the photographic traffic enforcement system.</p>
<p><b><u>WEDNESDAY, 2:00 PM, JANUARY 15, 2020</u></b></p> <p><b>Council will hear a presentation and testimony today. Testimony will be limited to two minutes each. Continued to Thursday, 5:00 PM, January 16, 2020.</b></p>		
<p><b>50</b></p>	<p><b>TIME CERTAIN: 2:00 PM</b> – Amend the Comprehensive Plan, Comprehensive Plan Map, Zoning Map and Title 33 Planning and Zoning to revise the Single-Dwelling Residential designations and base zones (Ordinance introduced by Mayor Wheeler; amend Code Title 33 and Comprehensive Plan and Zoning Maps) 3 hours requested</p>	<p>See below.</p>
<p><b><u>THURSDAY, 5:00 PM, JANUARY 16, 2020</u></b></p> <p><b>Council will hear public testimony today limited to 2 minutes each</b></p>		
<p><b>50</b></p>	<p><b>TIME CERTAIN: 5:00 PM</b> – Amend the Comprehensive Plan, Comprehensive Plan Map, Zoning Map and Title 33 Planning and Zoning to revise the Single-Dwelling Residential designations and base zones (Ordinance introduced by Mayor Wheeler; amend Code Title 33 and Comprehensive Plan and Zoning Maps) 2 hours requested</p>	<p>See below.</p>

**32TIME CERTAIN: 10:00 AM** – Authorize an Intergovernmental Agreement between the Office of Management and Finance, the Office of Equity and Human Rights and Prosper Portland to pilot the administration of the Community Opportunities and Enhancements Program

This Ordinance authorizes an Intergovernmental Agreement between the Office of Management and Finance, the Office of Equity and Human Rights, and Prosper Portland for a pilot administration of the Community Opportunities and Enhancements Program (COEP). As part of initial COEP development, Resolution 37331 stated that 1% of hard construction costs for several pilot large public improvement projects be set aside to support low-income, disadvantaged, minority and women workers in the construction trades and the development and growth of firms certified by the Office for Business Inclusion and Diversity (COBID). Pilot projects included the Portland Building Reconstruction Project, 10th and Yamhill Garage, and Washington Park Reservoirs Project. It also directed OMF and OEHR to work with infrastructure bureaus and CBO to establish mechanisms for collecting 1% from all City public improvement construction contracts moving forward. At the time of the resolution, estimates of the resources for this program were between \$1-2 million per year.

This Ordinance directs \$2,234,786 million in currently available set aside resources from the three pilot public improvement projects listed above to Prosper Portland for administration to pilot COEP.

Projects and resources are broken out as follows:

- Portland Building Reconstruction Project: \$986,793
- Washington Park Reservoirs Project: \$1,120,000
- 10<sup>th</sup> and Yamhill Garage: \$127,993

The Pilot Project funds are to be initially allocated, after administrative and other permitted operating costs, at twenty five percent (25%) towards grants to assist D/M/W/ESB/SDVBE firms and seventy-five percent (75%) to assist diverse workers. The agreement outlines that Prosper will receive \$150,000 for its services during the term of this Agreement, until June 30, 2021. This resolution authorizes only the disbursement of pilot project funds by Prosper. At this time, ongoing resources for the COEP program have yet to be adopted by Council or articulated in administrative rules. Further action by Council will be required to amend the IGA with Prosper to disburse ongoing/future funding received via COEP.

Although this Ordinance identifies the framework for the COEP pilot project funds, there are several existing questions regarding the future of the COEP that remain unclear; notably there remains uncertainty about what constitutes as an eligible funding source and estimated total eligible dollar amounts in a given year for COEP activity. The results of these decisions could have impacts on the City's General Fund. The Procurement Division states that the City Attorney's Office is currently in final revisions of a COEP funding eligibility matrix. This Ordinance does direct the CAO to work with the infrastructure bureaus who execute public improvement construction contracts to establish Portland City Code and Administrative Rules to further outline the details of the COEP including how the 1% of hard construction costs is to be collected from the infrastructure bureaus by OMF, how those funds will be administered, and how the Program will be implemented.

As CBO has previously noted, several areas of uncertainty have resulted in severe delays of the implementation of this 1% charge since the COEP was created by Council in 2017. Bond counsel and the City's Debt Manager determined that project specific tax-exempt financing is not an allowable funding source for the COEP, meaning that the 1% charge cannot be paid directly from debt proceeds. Infrastructure bureaus have some tools at their disposal to address this issue, including funding a 1% charge from cash resources. There is remaining uncertainty about whether the 1% charge would be applied to General Fund projects that are funded with limited tax-exempt bond financing or voter approved GO bonds. If these projects are included, this will result in unanticipated General Fund impacts, as a General Fund subsidy would be required equal to the 1% of project costs. For example, the Parks bureau does not currently budget or plan for 1% of the cost of public improvement projects to be redirected to COEP. Council may see future General Fund one-time requests from Parks (and other bureaus) to cash fund the cost of 1% of public improvement projects, or could direct bureaus to absorb this cost within their existing resources (creating unanticipated constraints within bureaus budgets). Ultimately, the impact will not be fully understood until OMF and the Attorney's Office make final determinations on funding eligibility.



**40** Authorize a matching grant fund, not to exceed \$460,596, and grant agreements to assist in the cost to purchase and install safety equipment, specifically side guards, on garbage and recycling collection vehicles

This Ordinance proposes to create a City-funded matching grant fund to purchase and install side guards on garbage and recycling collection trucks to increase safety. This would be applicable for the 27 companies that offer garbage and recycling service to Portland residents and businesses. The proposed grant fund would only apply to 2010 trucks and newer.

Upon successful side guard installations, the grant fund would match up to 60% of the company's cost in the first year (calendar year 2020) and 40% in the second year (calendar year 2021). Companies that are certified by the Office for Business Inclusion and Diversity (COBID) would be eligible for 100% of the installation costs.

The matching grant fund would be a one-time cost for installing side guards on existing fleets of garbage and recycling trucks. By January 2022, all garbage and recycling collection trucks made in years 2010-19 will be required have side guards retrofitted according to Volpe specifications. The average cost for installing side guards according to a pilot project conducted in 2018 is between \$2,320-2,846 per truck.

Over the two-year period, total amount for the matching grants would not exceed \$460,596. The bureau states that the level of confidence in the estimations is high, based on the information gathered from a pilot project conducted by the bureau. The funding for the matching grant is proposed to come out of the Solid Waste Management Fund and total \$460,596. This figure was initially incorrectly stated to total \$458,747 in the bureau's submitted bureau impact statement. The reimbursement process is contingent upon the successful installation of side guards, measured according to Volpe specifications. BPS staff will inspect all side guard installations prior to reimbursement. However, the bureau does not expect any increase in staffing costs associate with administration of this policy. In addition, there are no expected ongoing costs to the City after the two-year period; haulers will need to incorporate these costs into the purchase of new vehicles.

**45** Adopt revised Debt Management Policy, a component of the City's Comprehensive Financial Management Policies, to address the City's issuance and management of debt

This legislation adopts a revised Debt Management Policy (FIN 2.12), which is included in the City's Comprehensive Financial Management Policies (CFMP). There are no direct anticipated financial or budgetary impacts to the City as a result of this legislation. However, there are several notable policy changes that will affect City's debt management practices and how the City plans and/or resources various capital projects. These include the following changes:

- **Section I(F) Periodic Review of Debt Management Policy** - Creates a hard requirement to bring the Debt Policy before council every three years, even if there are no regulatory/market developments that require updating.
- **Section I (I) Cash "Pay-As-You-GO" Funding of Capital Outlays** - Retains 5% cash contribution goal, while creating a hard requirement for bureaus to 1) identify potential tax-exempt ineligible expenditures in their pro-forma sources and uses schedules and 2) identify and contribute cash to cover them. Also specifies tax-exempt ineligible expenditures in the cash funding requirements.
- **Section III(A) Rapidity of Debt Repayment** - Updates repayment percentage targets to match the City's convention of 20-year debt amortization and provides various language simplification and cleanup.
- **Section VI (C) Debt Service Savings of Advance Refundings** - Updated to account for changes in the federal internal revenue code under the 2017 Tax Cuts and Jobs Act, and to adequately address the analysis and measurement of the potential opportunity cost of advance refunding bonds, and specifies alternative advance refunding mechanisms that the City may consider.
- **Section XIII Affordable Housing General Obligation Bonds** - New addition to the Debt Policy which provides a framework for eligibility of use of funds within the Portland Housing Bureau's business model, 2018 Oregon Measure 102.

**50TIME CERTAIN: 2:00 PM** – Amend the Comprehensive Plan, Comprehensive Plan Map, Zoning Map and Title 33 Planning and Zoning to revise the Single-Dwelling Residential designations and base zones (Ordinance introduced by Mayor Wheeler; amend Code Title 33 and Comprehensive Plan and Zoning Maps)

This Ordinance revises Zoning Code development standards in Portland's single-dwelling zones (Chapter 33.110) and associated regulations in other Zoning Code chapters as part of the Residential Infill Project (RIP). The amendments also make related changes to the Zoning Map and the Portland Comprehensive Plan and Comprehensive Plan Map. The amendments include Zoning Code regulations that will be administered by the Bureau of Development Services and development bonuses for affordable housing that will be administered by the Housing Bureau.

The Zoning Code amendments increase the number of residential dwelling units allowed in ~68% of Portland's single-dwelling zoned land and provide development bonuses for projects that include affordable units. An economic feasibility analysis (Residential Infill Project, Volume 3, Appendix A) indicates that the changes enable the development of duplexes, triplexes and fourplexes and could generate as much as \$871 million of additional construction investment if the market supports demand for these housing types.

This Ordinance has the following direct fiscal impacts for the City:

**Bureau of Development Services**

These changes will impact BDS in terms of staff time for administration and review. One-time costs include staff training, creation of public information, and permit system updates. These costs are currently unknown. Additional ongoing staff time will be necessary as a result of applying floor area ratio (FAR) limits and for increased input from infrastructure bureaus as a result of lot confirmation zoning code amendments. BPS estimated the impacts to BDS staffing and found that there was an increase in permit review time of 555 hours (0.27 FTE) and an increase in lot confirmation/property line adjustment reviews of 223 hours (0.11 FTE). BPS states that the increase in permit review time increases the cost of providing services by an amount equivalent to a 3-cent increase per \$1,000 in valuation to the land use plan review fee. BDS plans to address the fee in an ordinance closer to the effective date of these changes. Due to the small increased costs in lot confirmation/property line adjustment reviews, BDS plans to use existing resources to cover those costs.

**Portland Housing Bureau**

The new affordable unit bonus provision will require additional PHB staff time to develop administrative rules for both ownership and rental units, as well as administer and monitor the bonus and compliance with the associated rules. The impact is uncertain as it is not known how many projects will use this bonus; PHB intends to monitor and ascertain staffing needs after the ordinance has been in effect.