

**PORTLAND CITY COUNCIL AGENDA  
City Hall - 1221 SW Fourth Avenue  
WEDNESDAY, 9:30 AM, APRIL 8, 2020**

**Disposition:**

**Please note, City Hall is closed to the public due to the COVID-19 Pandemic.**

Under Portland City Code and state law, the City Council is holding this meeting electronically. All members of council are attending remotely by phone and the City has made several avenues available for the public to listen to the audio broadcast of this meeting. The meeting is available to the public on the City's YouTube Channel, eGov PDX, [www.portlandoregon.gov/video](http://www.portlandoregon.gov/video) and Channel 30. The public can also provide written testimony to Council by emailing the Council Clerk at [cctestimony@portlandoregon.gov](mailto:cctestimony@portlandoregon.gov).

The Council is taking these steps as a result of the COVID-19 pandemic and the need to limit in-person contact and promote social distancing. The pandemic is an emergency that threatens the public health, safety and welfare which requires us to meet remotely by electronic communications. Thank you all for your patience, flexibility and understanding as we manage through this difficult situation to do the City's business.

**Provide Public Testimony:** City Council will hear public testimony on resolutions and ordinances (first readings only). Public testimony will be heard by electronic communication (internet connection or telephone). Please identify the agenda item(s) you want to testify on, and then visit the Council Clerk's agenda webpage to register, [www.portlandoregon.gov/auditor/councilagenda](http://www.portlandoregon.gov/auditor/councilagenda). Provide your name, agenda item number(s), zip code (your address and email are optional). Individuals have three minutes to testify unless otherwise stated at the meeting. Testimony is not taken on communications, reports, second readings, proclamations or presentations in accordance with Code 3.02.040 F. and G. **The deadline to sign up for the April 8, 2020 Council meeting is Tuesday, April 7, at 4:00 p.m.**

Email the Council Clerk at [cctestimony@portlandoregon.gov](mailto:cctestimony@portlandoregon.gov) with any questions.

**CONSENT AGENDA – NO DISCUSSION**

**Mayor Ted Wheeler**

**Bureau of Environmental Services**

**266** Authorize payment of \$40,200 to the Oregon Department of Environmental Quality for Civil Penalty Assessment and Order No. WQ/M-NWR-2019-123 relating to discharge of partially treated sewage and stormwater to the Columbia Slough from the Columbia Boulevard Wastewater Treatment Plant (Second Reading Agenda 248)

Funds are available in BES's FY 2019-20 budget in the Sewer System Operating Fund.

**Commissioner Chloe Eudaly**

**Bureau of Transportation**

**APRIL 8, 2020**

<p><b>*267</b></p>	<p>Accept a grant in the amount of \$9,996 from Oregon Department of Transportation, authorize Intergovernmental Agreement for Pedestrian/Driver Safety Outreach and Education series of safety programs and appropriate \$4,046 in FY 2019-20 (Ordinance)</p>	<p>Total cost of the project is \$17,786 with a local match requirement of \$7,790 of matching funds. PBOT's portion is \$4,178.35 in budgeted staff and materials and \$3,612.25 in Civic Life staff support.</p>
<p><b>*268</b></p>	<p>Accept a grant in the amount of \$25,000 from Oregon Department of Transportation, authorize Intergovernmental Agreement for Learn to Ride and Family Bike Ride safety project and appropriate \$5,000 in FY 2019-20 (Ordinance)</p>	<p>Total cost of the project is \$31,127 with a local match requirement from PBOT for \$6,127 which is included in the bureau's FY 19-20 Adopted Budget.</p>
<p><b>REGULAR AGENDA</b></p>		
<p><b>Mayor Ted Wheeler</b></p>		
<p><b>269</b></p>	<p>Appoint Michael Jordan as the City of Portland representative to the Urban Flood Safety and Water Quality District created by the Oregon State Legislature in 2019 (Report) 10 minutes requested</p>	<p>No fiscal impact.</p>
<p><b>Office of Management and Finance</b></p>		
<p><b>270</b></p>	<p>Authorize \$100 million of revenue bonds to finance City operations and undertakings in response to the effect of COVID-19 (Ordinance) 20 minutes requested</p>	<p>See below.</p>
<p><b>271</b></p>	<p>Authorize water revenue bonds to finance water system capital improvements and refund water revenue bonds (Ordinance) 20 minutes requested</p>	<p>See below</p>
<p><b>272</b></p>	<p>Authorize a two-year lease extension with Three Nineteen Washington, LLC for office space at The Spalding Building, 319 SW Washington St, through June 30, 2022 at an estimated cost of \$75,000 for the Office of the Portland Children's Levy (Second Reading Agenda 250; amend Contract No. 30000628)</p>	<p>No General Fund fiscal impact. This Ordinance authorizes \$75,000 for a two-year lease extension for the Portland Children's Levy, assuring continued operations at the Spalding Building. Funding for the lease extension is already budgeted in the Levy's FY 2020-21 budget in the amount of \$37,300. The remaining balance will be budgeted in the Levy's FY 2021-22 budget.</p>

273	<p>Authorize an 18-month lease extension with GVI-LC Harrison Square Owner, LP for office space at Harrison Square, 1800 SW First Ave, through April 30, 2022 at an estimated cost of \$345,729 for the Fire &amp; Police Disability &amp; Retirement Board (Second Reading Agenda 251; amend Contract No.30006217)</p>	<p>No fiscal impact. The lease has been approved by the FPD&amp;R Board, and this amount is budgeted in the FPD&amp;R budget and the expense is assumed in the bureau's 5-year financial plan.</p>
<b>Portland Housing Bureau</b>		
274	<p>Appoint Julia Delgado and Dike Dame to the Portland Housing Advisory Commission for terms to expire March 18, 2022 (Report) 10 minutes requested</p>	<p>No fiscal impact.</p>
*275	<p>Amend contract with Housing Development Center, Inc. to add \$150,000 in Housing Investment Funds to support the Risk Mitigation Pool program (Ordinance; amend Contract No. 32001954) 15 minutes requested</p>	<p>No change in appropriations. The bureau will request to reallocate existing resources to cover this increase as part of the Spring Supplemental Budget.</p>
*276	<p>Approve application under the Multiple-Unit Limited Tax Exemption Program under the Inclusionary Housing Program for Modera Woodstock located at 4850 SE Woodstock Blvd (Ordinance) 15 minutes requested</p>	<p>This action would result in estimated foregone property tax revenues to the City totaling \$19,389 over ten years for 5 units affordable at or below 60% MFI. Total cost to all jurisdictions forgoing revenue is estimated at \$58,755. The estimated value of the tax exemption for the first year is \$6,380 (all jurisdictions), which equals approximately \$1,276 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 \$4,250 application activation fee if the application moves forward.</p>
<b>Parks &amp; Recreation</b>		

<p><b>277</b> Amend Parks &amp; Recreation System Development Charge code to update the Annual Fee Index Methodology and delay indexing the charge until FY 2021-22 (Ordinance; amend Code Chapter 17.13) 15 minutes requested</p>	<p>No General Fund impact. This ordinance authorizes an amendment to the Parks System Development Charge City Code Chapter 17.13, allowing the annual fee index to be postponed until FY 2021-22. Indexing allows the bureau to increase the fees by a maximum of 6% per year. By delaying the fee index, the Parks SDC-Fund will potentially receive 4.47% less fee revenue in FY 2020-21.</p>
<p style="text-align: center;"><b>Commissioner Chloe Eudaly</b> <b>Bureau of Transportation</b></p> <p><b>*278</b> Vacate SE Yamhill St between SE 102nd Ave and SE Cherry Blossom Dr subject to certain conditions and reservations (Hearing; Ordinance; VAC-10127) 15 minutes requested</p>	<p>The process for vacating streets is a cost recovery program and does not have a net impact on PBOT's budget. Expenses for processing this street vacation request is estimated at \$10,000 (moderate confidence level). Fees paid by the Petitioner for this street vacation will cover the actual expenditures incurred by City staff for the processing of this request.</p>

**Commissioner Amanda Fritz**

**Water Bureau**

**279** Authorize the Portland Water Bureau to record capital interest as a regulated asset per Governmental Accounting Standards Board Statement No. 62 starting July 1, 2020 (Second Reading Agenda 260)

This legislation authorizes the Water Bureau to record capital interest costs as regulated assets as permitted under GASB Statement No. 62 Regulated Operation and will allow the Water Bureau to recover approximately \$12 million of interest costs from wholesale customers through future rates over ten years. Due to the requirements directed by the GASB, not adopting this ordinance would result in a \$12 million decrease in wholesale revenues over ten years and would translate into a retail rate impact over time.

**271** Authorize water revenue bonds to finance water system capital improvements and refund water revenue bonds

Fiscal impact

With this ordinance, PWB is not going to the bond market but is requesting for Water Infrastructure Financing Innovation Act (WIFIA) funding from the EPA which provides an interest rate at close to the US Treasury rate at the time of closing, which is about 6 months out. The proposed legislation authorizes the issuance of bonds, secured by the net revenues of the City's water system, that are sufficient to provide net proceeds of up to \$745 million to finance the System Improvements, as defined in the Ordinance. This authorization is contemplating the City's participation in the EPA's WIFIA program, which offers low cost, flexible financing to high priority water projects. The proposed authorization amount is forty-nine percent of total estimated Bull Run Treatment Program costs as allowed under the EPA's WIFIA program. The total Bull Run Treatment Program costs for the purpose of WIFIA funding includes City Council approved Resolution 37460 adopting the Recommended Option of \$820 million for filtration plant and pipelines, inflationary costs, expenses that are reasonably required related to the application and review process, and to finance bond reserves and issuance costs, as well as project contingencies.

Additionally, the Ordinance authorizes the issuance of water system revenue refunding bonds to refund any outstanding water system revenue bonds to obtain debt service savings or to achieve a favorable reorganization of outstanding bonds, if warranted. Any refunding will be done in conformance with the City's Debt Management Policy.

While the repayment structure will not be finalized until completion of the System Improvements, under a 35-year amortization allowable under the WIFIA program, estimated annual debt service of the WIFIA funded portion of the System Improvements is estimated to not exceed \$34 million. Final debt service is in flux until the System Improvements have been completed and is dependent on the final cost of the System Improvements and the interest rates of all future financing sources. PWB estimates a \$350 million savings to debt service over the term of the WIFIA loan. The bureau will not have updated rates until it closes and has certainty on the fixed interest rate and term of the loan.

**270** Authorize \$100 million of revenue bonds to finance City operations and undertakings in response to the effect of COVID-19 (Ordinance) 20 minutes requested

CBO Analysis:

This Ordinance is an administrative action that authorizes the City to issue up to \$100 million of revenue

bonds – to be issued if needed in the form of a line of credit - as an additional potential funding source to address evolving financial issues as a result of the COVID-19 public health crisis. The term of the Bonds is expected not to exceed two years, however the term may be extended to address the City's economic and financial circumstances.

With the proposed legislation, the Debt Management Division recommends the use of a credit facility to address the financial effects of COVID-19 in three ways: (1) provide an emergency funding source should disruption be experienced in the capital markets, (2) provide short-term temporary funding to address delays in timing of revenue collections, and (3) because the severity of the economic effects is unknown, supplement the General Fund Reserve on an interim basis.

If the City executes, but chooses not to draw upon the line of credit, there would be an annual cost of the facility, currently estimated in the range of \$250,000 - \$500,000 per year, however this is subject to change depending on the credit markets at the time of finalizing the terms of the credit facility.

If or when the line of credit is drawn upon, interest payments will vary depending on interest rates and timing of draws. Outstanding amounts on the line of credit will accrue interest at variable rates that will be reset periodically. The Ordinance states that the City may not execute any draw upon the line of credit until sources of repayment of those draws have been identified by the City's Debt Manager in consultation with the Chief Financial Officer and the Director of the City Budget Office.