

An FY 2018-19 Budget Note directed PP&R to request ongoing funding of \$500,000 annually for major maintenance needs in each budget process “until a level of funding is achieved that is sufficient for addressing the bureau’s regular, scheduled major maintenance needs. This funding should complement other strategies in addressing the major maintenance gap, including 1) Internal reallocation of resources; 2) Divestment of assets; and 3) periodic general obligation bonds.”

Since FY 2015-16, PP&R has received \$13.8 million or 19% of the total \$70.8 million allocated in Citywide capital set-aside resources.¹¹ The 2014 Parks Replacement Bond authorized \$68.0 million in general obligation bonds for repair and replacement projects. Additionally, the bureau has received \$2.4 million in increased ongoing General Fund support for major maintenance since FY 2015-16.

Increased General Fund allocations—both one-time and ongoing—certainly help defray these known costs but are essentially partial-mitigation efforts. With a \$500 million major maintenance backlog, \$500,000 ongoing increases to the bureau’s annual General Fund appropriation would require years to begin to make a material impact—assuming assets did not completely fail before then.

The budget note directed the bureau consider internal reallocation of resources, but thus far reallocations have not been able to make any material impact—demonstrated by the fact that this funding gap has already grown \$50 million since the time it was authored.

Divestment of assets as a strategy has also been deployed by the bureau. To date the bureau has both sold and decommissioned assets and has established ground leases that absolve the bureau of responsibility for programming or maintenance at Hillside and Sellwood community Centers. City Council has also recently declared a property near Lower Macleay Park as surplus setting up its sale on the open market. As a strategy, asset divestment is often controversial, as evinced by public outcry during the closure of Buckman Pool and the proposed decommissioning of Columbia Pool (Columbia Pool received \$453,000 in FY 2019-20 and \$480,000 in FY 2020-21 to continue operation). The bureau plans to keep Columbia Pool open with levy resources, assuming quarterly engineering inspections deem it safe, as it explores options for uninterrupted aquatics service in North Portland. CBO

PP&R has identified 1,000 Assets near end of service life as of February 10, 2021

"Poor" Condition	
Developed Park	300
Buildings/ Pools	193
Utilities, Roads, Trails	130
Green Infrastructure	50
Recreation Features	42
Built Infrastructure	5
Active	5
Closed	3
Amenities	4
Completed CIP	3
On-Hold	1
Landbank	1
Acquisitions	1
	738

"Very Poor" Condition	
Utilities, Roads, Trails	150
Amenities	35
Buildings/ Pools	28
Developed Park	17
Recreation Features	14
Green Infrastructure	11
Completed CIP	2
Landbank	2
Golf/PIR	1
Built Infrastructure	1
Active	1
	262

Grand Total 1000

¹¹ Capital Set-aside is the allocation of 50% of General Fund ending balance, described here: <https://www.portlandoregon.gov/transportation/article/680937>. The policy was designed to bring more bureau into compliance with City Financial Policy 2.03 Capital Planning: <https://www.portlandoregon.gov/citycode/article/200789>

