

EXHIBIT A

To: Portland City Council

From: Mike Abbaté, Director, Portland Parks & Recreation

Date: July 16, 2014

Commissioner Amanda Fritz and Portland Parks & Recreation propose for the November 2014 election a Replacement Bond measure. Portland's last parks bond—passed in 1994—will be repaid in 2015, which creates an opportunity to address critical park needs without increasing tax rates. If approved, the Replacement Bond tax rate is estimated to be \$.0877 per \$1,000 of assessed value, which is the same as the current estimated rate of the expiring parks bond. If voters do not approve the Replacement Bond, the annual property tax could decrease by about \$13 for a home at median assessed value of \$152,890. Should the bond measure pass, it would authorize up to \$68 million in general obligation bonds and funding would go toward parks most urgent needs. For more details on the Bond Measure, please see Exhibit B for The Act; Exhibit C for the Ballot Caption, Question and Summary; and Exhibit D for the Explanatory Statement.

Projects to be funded include (please see Exhibits E and F for details):

- Playgrounds: Replace or build 10 to 20 play structures that are closed, at risk of closure or deficient (at least \$5 million during the life of the bond)
- Trails and Bridges: Preserve access to natural areas and open spaces by repairing trail and bridges (at least \$5 million during the life of the bond)
- Pools: Prevent emergency closures, stop water leaks, improve water conservation and energy efficiency (at least \$5 million during the life of the bond)
- Protect Workers: Improve safety, make critical upgrades; fix leaking roofs, update equipment at maintenance facilities (up to \$10 million during the life of the bond)
- Pioneer Courthouse Square: Replace failing structures, fix leaks and cracks, make improvements at most visited park (up to \$10 million during the life of the bond)
- Accessibility: Remove access barriers in parks; recent report found tens of thousands of barriers across park system (up to \$5 million during the life of the bond)
- Restrooms and Other Urgent Repairs: Fix, improve and replace restrooms, roofs, and other failing or deficient parks, park structures and park equipment (at least \$5 million during the life of the bond)

Identifying additional projects

Preliminary cost estimates indicate this initial Replacement Bond project list would cost approximately \$35M to \$40M to complete. The Replacement Bond would authorize \$68 million, from multiple issuances. Projects funded in each issuance must be completed within three years. Commissioner Amanda Fritz has proposed a public process for identifying additional projects for (dates approximate):

- Mid-2015: Refined cost estimates and the first bond issuance to determine approximately how much Replacement Bond funding remains.

- Late-2015: PP&R staff propose a draft list of projects based on the proposed criteria (please see Exhibits E and F) and remaining funding. PP&R citizen budget advisory committee (BAC) reviews and refines draft project list as part of city budget process.
- Early-2016: Neighborhood Coalition parks subcommittees review draft project list and give feedback on priorities. Citywide Town Halls, stakeholder meetings, and possibly online surveys provide broader opportunities for public input into project priorities.
- Mid-2016: BAC reviews public input and provides advisory project list recommendation to Commissioner Fritz. Commissioner Fritz makes second bond issuance project list recommendation to City Council.
- TBD: Bond issuance to fund second list of projects.

This approach allows staff, the budget advisory committee, and community stakeholders to consider the most urgent maintenance needs just prior to a second bond issuance, and responsibly allocate and prioritize the second round of bond funding.

Oversight

As outlined in Exhibits B, C, and D, the Parks Replacement Bond will have public oversight and audits, specifically:

- A five-member public oversight committee will review bond expenditures and provide annual reports. Each member of the City Council will appoint one member of the community to the oversight committee and those appointments will be complete at the time of the first bond issuance ordinance to City Council (early 2015).
- The 2014 Parks Replacement Bond will have audits. An independent entity will complete performance audits to ensure that projects funded by the bonds are consistent with voter intent. The audit entity will provide a written report and we will publish that opinion for the public. At least two audits will be completed, one at about midway point (or after the first issuance projects are nearing completion) along with a second final audit after all projects are substantially complete.