

**CITY OF
PORTLAND**

Legislative Agenda

2013 SESSION



City of Portland Council

Mayor Charlie Hales

Commissioner Amanda Fritz

Commissioner Nick Fish

Commissioner Dan Saltzman

Commissioner Steve Novick

City Auditor LaVonne Griffin-Valade

Prepared by the Office of Government Relations

Martha Pellegrino, Director

Dan Eisenbeis, State Government Relations Manager

Andy Smith, Senior Associate

Steffeni Mendoza Gray, Intergovernmental Specialist

Molly Woon, Associate

Lesley Kelley, Office Manager

Amy Julkowski, Executive Assistant

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Priorities



Improve Funding for Pre K-12 Education

Objective:

Actively advocate for adequate and stable funding for Pre K-12 education throughout Oregon.

Issue:

The City of Portland has long recognized that a quality education is a major driver and sustainer of a robust diversified economy and a contributor to a healthy community. Quality public education is a cost-effective investment strategy that provides each student with the opportunity to become a successful adult qualified to attain a living wage job.

Establishing sound, stable, future-focused funding for public education is critical to ensuring Oregon kids get a solid Pre K-12 education in every school district. Providing predictable, stable and sufficient resources for Pre K-12 education will reduce future demands for social services and foster an educated workforce that is vital in attracting and maintaining businesses to the City and the state.

With its education partners, the City will advocate for adequate and stable funding to support all Pre K-12 school districts in providing excellent academic programs in quality facilities. Improving education funding will help bolster academic achievement for all students and provide a much-needed foundation for Oregon's future economic growth.

Public Safety Budgeting and the Mental Health Care Crisis

Objective:

Support efforts to improve mental health care funding to alleviate pressure on city and county public safety services. Encourage the availability of more mental health care providers. Allow counties that limit use of state prison resources to receive increased funding for prevention, reentry, mental health services, and law enforcement programs.

Issue:

Without changes to current policy, Oregon can expect the need for 2,300 additional prison beds at a cost of \$600 million over the next 10 years. Simultaneously, a fragmented and underfunded mental health care system has resulted in local fire departments and law enforcement becoming the de facto social service providers to citizens experiencing mental health crisis, or are suffering from illness without sufficient treatment. The lack of adequate mental health care services and an insufficient number of providers means that our most expensive and least-equipped public services—police and fire—often shoulder the burden.

An underfunded state system for providing mental health services directly impacts the City of Portland through increased demand for emergency and police services. Not only does sheer call volume increase when services are not appropriately funded, but this impacts quality of life issues for people needing specific help for mental health with preventable issues including general health issues, trauma, substance abuse, and crime, all of which transfers increased costs to our economy. Even when people are able to seek mental health care services, they are often unable to receive treatment in a timely manner because of a shortage of mental health care providers in the state.

The City supports efforts to improve mental health care funding to alleviate pressure on city and county public safety services and encourage the availability of more mental health care providers. For example, the City supports funding for Lines for Life and other non-public safety programs that encourage the availability of more mental health care providers in Oregon.

In addition, working with our county partners, the City supports public safety reforms that improve local funding and reward improvements in local public safety and mental health services. For example, the City supports “Performance Incentive Funding,” an approach to encourage smart, prevention-based investments by providing that counties that limit use of state prison resources receive increased funding for prevention, reentry, mental health services, and law enforcement programs. This approach was one of several recommended policies to protect public safety, control prison costs, and hold offenders accountable in a report released by the Commission on Public Safety in winter 2012.

9-1-1 Emergency Communication Funding

Objective:

Support reauthorization of the 9-1-1 telephone tax and close the loophole on tax collections from prepaid cellular devices and Voice over Internet Protocol (VoIP) to ensure adequate funding for local emergency communications operations.

Issue:

The Portland Bureau of Emergency Communications (BOEC) operates the 9-1-1 call center serving Multnomah County and the cities of Portland, Fairview, Gresham, Maywood Park, Troutdale and Wood Village. Oregon state law requires that every device capable of accessing 9-1-1 be charged a 75 cent per month tax to support emergency communications operations. Due to sunset on December 31, 2013, this tax provides approximately \$3.78 million in revenue to BOEC each year, constituting 20 percent of the revenue that funds the City's call center. The City of Portland supports reauthorizing this critical funding source for emergency communications operations.

Additionally, the City of Portland supports legislation to ensure collection of the 75 cent per month 9-1-1 tax from pre-paid wireless and VoIP users. The current 9-1-1 excise tax is intended to apply to all devices capable of accessing 9-1-1 services, but pre-paid cellular phone and VoIP users have not paid the tax, even though pre-paid wireless customers have grown nationally from six percent of the wireless market in 2003 to nearly 20 percent of all wireless customers. Because 75 percent of all 9-1-1 calls in the City of Portland come from wireless phones, BOEC estimates that ten percent of all 9-1-1 calls made in the Portland area are made from devices whose users have not contributed to the cost of 9-1-1 services because they are using pre-paid phones or VoIP services. Reauthorizing the 9-1-1 telephone tax and requiring pre-paid wireless and VoIP users to pay for 9-1-1 services just like all other cellular customers in the state will provide ongoing revenue stability for local emergency operations centers and more equitably share the public costs of essential emergency response services.

Preemptions of Local Government Authority

Objective:

Strongly oppose legislation that would preempt the City's authority and support legislation that would lift preemptions, thus granting greater authority to cities.

Issue:

Local governments are often in the best position to respond to the needs of the community. This is why the City of Portland opposes any effort to preempt its authority to develop and enforce local ordinances, manage its bureaus and functions, raise local revenues, or avoid state imposed tax expenditures on local government. Like every other legislative session, 2013 may bring attempts to preempt city authority.

Potential items include:

- Void the City's Time, Place and Manner ordinance;
- Preempt the City's authority to regulate and manage For-Hire-Transportation services;
- Preempt the City's authority to impose a tax on wireless communication;
- Modify the City's ability to impose system development charges;
- Substantially alter the City's business license tax;
- Preempt the City's utility license fee authority;
- Eliminate the City's authority to require demolition review for historic buildings;
- Preempt local decision making authority to determine whether or not to fluoridate drinking water;
- Interfere with local government authority to manage and be compensated for the use of public rights-of-way, or preempt city franchise authority;
- Preempt the City's renewable fuel standard; and
- Preempt the City's ability to encourage green building practices through the adoption of local building code amendments.

Additionally, the City supports efforts to remove preemptions on local government authority, such as allowing greater autonomy in day-to-day operations or increased authority to levy taxes or fees. Examples of existing statutory preemptions include prohibitions on local authority to:

- Levy taxes on alcohol and tobacco products; and
- Establish a city vehicle registration fee.

Remove Barriers to Housing Choice

Objective:

The City of Portland will support legislation that removes barriers and increases choice and stability for low-income Oregonians seeking affordable housing.

Issue:

In an effort to meet the housing needs of low-income local residents who are not served by the private housing market, the City of Portland invests significant resources in building and preserving affordable housing. The City's investments range from providing permanent homes for the homeless, to building affordable apartments, to supporting first-time home buyers. However, local investments impact a relatively small portion of the total housing market, and many low-income residents experience multiple and varied barriers to accessible and stable housing. Barriers to housing and housing choice don't stop at Portland's borders—they affect countless low-income households throughout Oregon.

The City of Portland will support legislation to remove barriers to affordable housing and increase choice and stability for low-income people and families across the state.

Property Tax Reform

Objective:

Support referrals of constitutional amendments that help restore fairness and equity to Oregon's property tax system. The City will advocate for proposals that: 1) allow voters to approve local option levies outside of compression, 2) apply rates for such local option levies to real market values, and 3) require a property's assessed value to be reset to its real market value when sold.

Issue:

Under Oregon's current system, statewide limitations can prohibit local voters from choosing to support critical public services. Since 1990, Measure 5 has limited general governments (cities, counties and special districts) and school districts to levying \$10 and \$5 per \$1,000 of real market value, respectively. Any taxes in excess of those limits are reduced, or compressed, proportionally until the limits are met.

Currently, local option levies are compressed first. As a result, residents living in a municipality in compression are essentially prohibited from voting to support essential services. For example, the City of Portland's Children's Levy, which provides funds to improve childhood learning and reduce child abuse and neglect, will collect only 53.7 percent of the taxes it would receive without compression this coming year.

Oregon's current system also calculates tax rates based on a property's assessed value. Measure 50 tied assessed values to 1995 levels and limited annual growth in assessed values to no more than three percent. Assessed values are on average 74 percent of real market value. Buried within that average are innumerable inequities. In Portland, for example, properties with comparable real market values in different neighborhoods can have widely divergent assessed values and thus, very different tax bills.

A constitutional amendment to allow local voters to pass local option levies without losing portions of the revenue to compression will empower voters to pay for, and receive the full benefit of, local operations. Moreover, a constitutional amendment that applies those local option levy rates to real market values will help bring fairness to tax obligations between homeowners with properties of identical real market values, but different assessed values.

A constitutional amendment to reset assessed values to real market values at the time a property is sold will establish a process to correct significant inequities in tax bills between similarly valued properties while restoring lost revenues to vital public services like schools and public safety. The Legislative Revenue Office estimates that if voters approve a measure to reset assessed value to real market value at sale, local property tax revenues would increase by approximately \$92 million statewide in the first year and by \$1.1 billion in the tenth year.

These property tax reform proposals will empower voters to authorize a tax for local operations—like public safety, school funding, or library services—while correcting inequities in our current property tax system and restoring lost revenue to local governments.

Support for Rural Communities

Objective:

Support and advocate for issues of importance to our rural partners that will enhance the health, growth, and vitality of the entire state.

Issue:

The health and economic vitality of urban and rural communities in Oregon are intertwined. The City will continue to work with its rural partners on issues that disproportionately affect rural communities.

Access to Health Care

Rural Oregonians continue to face challenges accessing health care in small communities. The City of Portland supports efforts to encourage physicians to practice in rural Oregon. Specifically, the City supports two incentive programs:

- The Rural Scholars Program funds loan forgiveness for Oregon Health & Science University medical students who commit to practice medicine in rural communities. This program has proven successful in attracting physicians to careers in rural areas.
- The second incentive provides assistance with loan repayment for rural medical practitioners through the Oregon Office of Rural Health. Currently, all funds already allocated to this program are obligated. However, with the receipt of federal health care reform dollars last year, Oregon is required to use a portion of this money to increase access to health care in rural areas. By expanding this already existing loan repayment program, the state will meet its federal obligation while facilitating quality health care for underserved populations across the state.

Farmworker Housing

Support Oregon's agriculture industry by extending the Agricultural Workforce Housing Tax Credit. This incentive encourages investment in projects that develop or improve housing for the farmworkers needed to harvest Oregon's crops.

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Support for Rural Communities (Continued)

Water Infrastructure

There are sizable water infrastructure needs in rural Oregon with many communities unable to finance necessary upgrades and maintenance. The City of Portland supports assistance that helps rural communities access and deliver clean water. Specifically, the City supports the following programs:

- The Clean Water State Revolving Loan Fund provides low-cost loans for the planning, design, and construction of various water pollution control activities. This fund is used by many rural communities that have limited financing options because they are too small to participate in the bond market. The City of Portland supports extending the loan repayment period from 20 years to 30 years to further support rural communities.
- Many Oregon communities face significant costs for replacing or repairing aging municipal drinking water and sewer systems and meeting new regulatory requirements. The Oregon Water/Wastewater Fund, Clean Water State Revolving Fund, and Safe Drinking Water State Revolving Fund help communities finance the cost of these projects, but demand for the funds exceeds the available resources. The City of Portland supports recapitalizing these state funds to ensure that municipal drinking water and sewer systems across Oregon comply with public health and environmental standards.

Higher Education Research

The City of Portland recognizes that educational research is key to developing the workforce of the future, attracting employers, and building our economy statewide. The City supports education programs with broad-reaching impacts for communities across the state, like the Oregon State University Extension Services. Extension services across Oregon provide valuable resources to the state in areas of agriculture, aquaculture, and other unique Oregon industries. With programs that reach all 36 counties, these services leverage federal funding and serve as centers of innovation. The City of Portland supports continued funding for the “statewides” programs in order to support rural communities and the valuable resources they provide to the state economy.

Gun Safety

Objective:

Support statewide legislation to protect public safety by prohibiting the sale of assault weapons and high-capacity magazines.

Issue:

In 2010, there were 458 deaths due to firearms in Oregon. Nationwide, more than 30,000 people are killed by firearms every year and the U.S. has experienced numerous mass casualty and tragic gun violence incidents in recent history. Public safety is a fundamental priority for the City of Portland and gun violence poses a serious threat to the security of our community.

Whether it is a public massacre at the hands of a deranged individual or gang violence, our current gun policies do not effectively prevent the public use of the most deadly firearms—including assault weapons and weapons with high-capacity ammunition magazines. The nature of these weapons can result in mass casualties in mere minutes. The City of Portland will support legislation that will help reduce gun violence in Oregon and within city limits, including a prohibition on sales of assault weapons and a limit on the capacity of ammunition magazines.

Initiatives



Homebuyer Opportunity Tax Exemption

Objective:

Introduce legislation to renew the Single-Unit Housing Tax Exemption, scheduled to sunset in 2015, to allow the City of Portland to continue providing affordable homeownership opportunities to low- or moderate-income families.

Issue:

The City of Portland's Homebuyer Opportunity Limited Tax Exemption (HOLTE) program utilizes the authority provided in state law to permit a 10-year property tax exemption on any new-construction home sold to a low- or moderate-income family in a homebuyer opportunity area. Homebuyer opportunity areas are designated by the Portland Housing Bureau pursuant to requirements set forth in state law.

In order for a homebuyer opportunity area to be designated, a primarily residential portion of a city must be experiencing a combination of deteriorated, inadequate or improper facilities, or vacant properties and other similar factors. HOLTE is an effective program that contributes to neighborhood revitalization, wealth generation, and stability for homebuyers. This limited tax exemption program provides access to homeownership for Oregon families, while revitalizing neighborhoods with investments in new construction.

At last count, 2,064 low- and moderate-income homeowners are currently benefiting from the 10-year property tax exemption provided through the HOLTE program. This program has allowed many Portland residents who had been priced out of the market to experience the stability and pride that comes with homeownership. Renewing the Homebuyer Opportunity Limited Tax Exemption program is critical for construction of affordable housing that provides choice to low and moderate-income families and has the added benefit of helping the homebuilding industry by expanding the housing market.

The City of Portland will introduce legislation extending the sunset on local authority to provide limited tax exemptions for single unit housing until January 1, 2025.

Independent Authority of the Fire and Police Disability and Retirement Fund

Objective:

Seek legislation to clarify the independent authority of the City of Portland's Fire and Police Disability and Retirement Fund.

Issue:

The City of Portland Fire and Police Disability and Retirement (FPDR) Fund provides disability, death, and retirement benefits to Portland firefighters, police officers, and their survivors. The City of Portland's Charter defines these benefits and vests the FPDR Board with independent fiduciary responsibility for the Fund. The FPDR Fund is a local alternative authorized by statute to the state Workers' Compensation Law and Administrative Rules, and Public Employees Retirement System (PERS).

The actions of PERS and the state Workers' Compensation Law are not subject to bargaining under the state Public Employee Collective Bargaining Act (PECBA). PERS and Workers' Compensation Fund actions are subject to legal review, but not by the Employment Relations Board (ERB). The ERB ruled in 2009, however, that actions by the FPDR Board and Fund Administrator must comply with the bargaining obligations imposed by PECBA. The decision resulted in liability to the City of Portland General Fund.

In November 2012, reforms to the FPDR Fund were approved by nearly 75 percent of voters, building upon reforms approved by voters in 2006. Opponents of the 2012 reforms have now filed a collective bargaining grievance to block implementation of the reforms. If successful, the City General Fund could be liable for \$40 million in taxpayer-approved savings. The City of Portland seeks legislation to clarify that the actions of the FPDR Board and Fund Administrator are not subject to collective bargaining and to recognize the independent authority of the Fund.

Shared Narrow Residential Roadways

Objective:

Introduce legislation to allow pedestrians and wheelchair users the right to travel on low-speed narrow residential roadways.

Issue:

The Oregon Vehicle Code does not distinguish between high-volume, high-speed roads and low-volume, low-speed narrow residential roadways. The code also requires pedestrians and wheelchair users to travel along the usable shoulder or sidewalk—if one exists. When the code does allow the pedestrian or wheelchair user in the road, they are limited to travelling along the left side of the road, facing on-coming traffic.

These rules creates a legal impediment to the safe use of paved surfaces by pedestrians and wheelchair users in areas where both traffic volumes and motor vehicle speeds are low (less than 15 MPH). In such circumstances, pedestrians should be allowed to walk in the roadway in both directions and move over to the roadside when a motor vehicle is passing. They should not be required to remain on the shoulder or at the very left edge of the roadway when traffic is not present.

The City of Portland seeks legislation that allows pedestrians to travel on low-speed narrow residential roadways so long as the pedestrian does not create a traffic hazard. In addition to providing legal protection for vulnerable users of existing narrow residential roadways, such a legislative change also supports the City's efforts to improve unpaved narrow residential roads with cost-effective solutions. Paved narrow residential roadways are estimated to be up to 75 percent more affordable to construct than traditional streets with curbs and sidewalks, while also providing a safe street environment that promotes neighborhood livability.

Alcohol Impact Areas

Objective:

Introduce legislation to address area-wide alcohol-related public safety hazards by clarifying the Oregon Liquor Control Commission's (OLCC) authority to create and implement "alcohol impact areas" that limit the sale of certain alcoholic beverages in defined geographical areas.

Issue:

The City of Portland invests a significant amount of time and local public safety resources in response to alcohol-related problems. To address these concerns, the City Council has supported strategies to mitigate alcohol-related harm by implementing "alcohol impact areas" (AIAs). These designated areas could be used to limit the sale of certain types of low-price, high-alcohol content beverages that are the source of street drinking, which can lead to serious public safety hazards. Such AIAs have proven to help curtail public drunkenness and alcohol abuse where they have been adopted.

Two examples from Washington State illustrate the effectiveness of AIAs. The City of Tacoma saw a 35 percent decrease in Emergency Medical Service incidents and a 61 percent decrease in "Liquor in the Park" police service calls in the year following implementation of their AIA. Similarly, Seattle saw a 9 percent decrease in Sobering Unit Van pick-ups and a 15 percent decrease in adult liquor violations in the two years following the implementation of their AIAs.

Recently, the implementation of AIAs has been ruled unenforceable by the OLCC —without explanation to their lack of authority. The City of Portland seeks legislation to clarify the OLCC's authority to approve the creation and implementation of AIAs. If approved, AIAs would be a valuable and proven tool to reduce the acute public safety problems created by public drunkenness and alcohol abuse.

Immediate Cessation of Alcohol Sales

Objective:

Introduce legislation that will provide local law enforcement with the ability to protect public safety by temporarily suspending a liquor license in the aftermath of a serious crime at an alcohol-serving establishment.

Issue:

Current law does not provide a mechanism for local public safety agencies and the Oregon Liquor Control Commission (OLCC) to address immediate safety risks at liquor-licensed establishments.

Many times, shootings in bars and clubs are tied to gang activity, and the scene of a crime can become the focal point for related retaliatory crimes. The City of Portland seeks legislation that enables law enforcement to suspend liquor sales at a bar or club following a serious crime for a period of 72 hours if an ongoing public safety risk is present. Law enforcement can use that time period to ensure that subsequent crimes do not occur, work with the owner on strategies to prevent further violence, and protect neighborhood safety.

Low Income Housing Property Tax Initiative

Objective:

Introduce legislation to exempt from assessment and taxation publicly owned real property that is used for affordable housing or leased to low-income persons.

Issue:

The City of Portland invests significant resources to build, rehabilitate, and preserve rental housing affordable to low- and moderate-income persons and households. To this end, the City from time to time acquires or comes into ownership of real property which the City uses to provide affordable housing or leases to low-income persons.

Oregon law provides that publicly owned property becomes taxable if it is rented or leased to any entity whose real property is taxable. One such property is the Fairfield Hotel, an 82-unit single-room occupancy rental property for Section 8 housing located in downtown Portland. The City acquired the Fairfield in 2001 through the Portland Development Commission for the specific purpose of maintaining the affordable housing inventory in the West End. The City then selected a private company to handle day-to-day management and operating responsibilities.

Despite a long history of exemption, in October 2009 the Multnomah County Assessor placed Fairfield on the tax rolls. The assessment applies retroactively to January 1, 2009, under the theory that City-owned, low-income rental properties are subject to taxation under current law.

In a December 14, 2012 ruling, the Oregon Tax Court agreed with the Assessor, holding that provisions of Oregon law cause the Fairfield to be taxable. The court reasoned that Oregon law expressly exempts low-income rental housing properties if they are owned by a housing authority or nonprofit entity. However, according to the Tax Court's ruling, there is no clear exemption for similar properties if the City happens to own them. The City is planning to appeal the ruling.

The City of Portland will introduce legislation that will clarify existing law to provide an expressed exemption for publicly owned property that is used or intended to be used for the provision of low-income housing.

Policy Positions

Economic Development

Industrial Lands

Objective:

Support state incentives for communities to build infrastructure and prepare key industrial sites for development.

Issue:

Recent studies have identified relatively few industrial sites in the Portland metropolitan area that are shovel-ready for development, thereby limiting opportunities for job creation in the industrial sector. Sites may have unmet transportation, water, sewer, electricity, or telecommunications needs, or require cleanup of contamination before being developed. Financing such site preparation work can be a significant hurdle for local governments.

In recognition of the economic development value of industrial lands, the State of Oregon has historically funded loan and grant programs to aid in development of sites. The City of Portland supports recapitalization of existing infrastructure funds administered by Business Oregon, as well as development of new financing and incentive programs for local governments to invest in development of industrial sites.

Protecting Urban Renewal

Objective:

Oppose legislation that would financially weaken or reduce the City's ability to use urban renewal statutes as a tool for redevelopment and neighborhood improvement.

Issue:

Urban renewal programs rely on tax increment financing, which is essential for the City of Portland to achieve outcomes in adopted strategies for economic development and affordable housing. Tax increment financing currently comprises nearly 90 percent of the Portland Development Commission budget and the resources are essential to continue the City's pursuit of an aggressive strategy to create one of the world's most desirable and equitable cities by investing in job creation, innovation, affordable housing, and economic opportunity throughout Portland.

Urban renewal is used in 18 areas across Portland: Airport Way, Central Eastside, Downtown Waterfront, Education (created in 2012), Gateway Regional Center, Interstate Corridor, Lents Town Center, North Macadam, Oregon Convention Center, River District, South Park Blocks, Willamette Industrial, and the six Neighborhood Prosperity Initiative Districts.

The City of Portland values urban renewal as a critical tool for affordable housing, neighborhood improvement, and economic development and would actively oppose any legislation to its detriment.

Economic Development

Brownfield Redevelopment

Objective:

Promote redevelopment of brownfield sites by supporting the recapitalization and creation of state programs to support local cleanup efforts.

Issue:

Brownfields—properties that are contaminated or suspected to be contaminated—exist in communities throughout Oregon due to a legacy of past use. Vacant and underutilized brownfields pose an obstacle to community and economic development, as well as a public health concern. The City of Portland supports the development of state policies and programs to incent redevelopment of brownfields in order to create jobs and promote long-term economic development. The potential benefits of brownfield remediation are extensive. Portland has identified over 900 acres of potential brownfields in the city.

Existing programs, such as the Oregon Brownfields Redevelopment Fund (BRF), provide loans and grants to assist property owners with environmental assessment and clean up of contaminated sites. The BRF was created in 1997 and amended in 2001. Since 2001, the program has provided loans to 12 projects and grants to 35 projects around Oregon. These investments include providing a \$1.58 million loan to clean up a contaminated groundwater plume at an industrial site in Northeast Portland and gap financing for cleanup related to construction of the new transit and pedestrian bridge over the Willamette River. However, the demand for loans and grants through the Oregon BRF exceeds the amount of funds available. The City of Portland supports recapitalization of the Fund in order to advance economic and community development goals in the City of Portland and communities across Oregon.

Recent reports by Metro and the City of Portland have also identified a range of additional tools, including tax policies, land banks, and insurance programs, that would significantly improve the capacity of property owners to complete assessment and remediation of brownfield sites. The City of Portland supports efforts to identify, adopt, and strengthen a full range of tools to promote local redevelopment of brownfields, including recapitalization of the Brownfields Redevelopment Fund.

Economic Development

Film & Television Production Incentives

Objective:

Support incentive programs that promote Oregon's growing film and television production industry.

Issue:

Film and television production has become a growth industry in Portland and across the Oregon. This is largely due to the success of the Oregon Production Investment Fund (OPIF) and Greenlight Oregon Labor Rebate programs. Recent years have seen the television shows *Grimm*, *Leverage*, and *Portlandia* set up ongoing production in the Portland area, in addition to growth in film and commercial production. According to the Oregon Film & Video Office, in 2011 alone, over \$130 million was spent in Oregon on film, television, and television commercial production.

In 2003, the Legislature created the OPIF which provides a tax rebate on 20 percent of goods/services and 10 percent of Oregon-based payroll for any project or series that spends a minimum of \$750,000. Oregon's program is one of 40 state film incentive programs nationally and ranks in the lower third in financial benefit to the film industry.

The Greenlight Oregon Labor Rebate provides an additional rebate on 6.2 percent of payroll for which Oregon withholding applies. The rebate applies to a single project or series spending more than \$1 million annually, or to commercial production companies spending \$1 million or more annually in Oregon. The OPIF and the Greenlight Oregon Labor Rebate may be combined for a 20 percent goods/services and 16.2 percent payroll rebate.

The potential for further growth in the film and television industry is great, as are the potential employment and economic impacts for the region. In order to remain competitive in this industry, Oregon must maintain, and ideally expand, these incentive programs. Due to revenue constraints, when the OPIF and Greenlight Oregon Labor Rebate were renewed by the Legislature in 2011, the OPIF was capped at a reduced amount—currently \$6 million per year. The OPIF is fully utilized, limiting the ability of the state to successfully attract film and television productions that create quality jobs and build Oregon's national and international brand.

Economic Development

Support Lean Manufacturing

Objective:

Support Business Oregon's Lean Manufacturing program and any requests for increased funding.

Issue:

Oregon's small- and medium-sized manufacturing businesses face increased global competition. In order to compete, Oregon's manufacturing firms are seeking a course toward improved production efficiencies, higher quality and improved customer service, and increased sustainability.

The best response for Oregon manufacturing businesses is in the assessment and application of "lean" or high performance manufacturing techniques. Small Oregon businesses need help implementing such techniques. Business Oregon is well-equipped to address such needs, if the agency receives the appropriate legislative support for the program.

Education

Funding for Student Transit Passes

Objective:

Support a sustainable state funding mechanism to provide public transit passes for high school students to travel to and from school, after-school activities, and work.

Issue:

The YouthPass program was created in 2009 and offers a free all-zone TriMet pass to every student who attends a high school or alternative school in Portland Public Schools—Portland’s largest school district. Previously funded by the Business Energy Tax Credit, YouthPass is currently supported in the 2012-2013 school year through a collaboration of the City of Portland, Portland Public Schools, and TriMet.

The State of Oregon both requires school districts to provide bus service to high school students who live at least 1.5 miles away from their neighborhood school and reimburses districts for a large percentage of the cost to provide bus service. Portland Public Schools has a state waiver from this requirement. The YouthPass program is an innovative alternative approach to meeting student transportation needs for getting to school, work, and other activities in an urban setting. It is more cost-effective than providing yellow bus service, and reduces congestion and emissions. The City of Portland supports providing additional state funding for student transit pass programs such as YouthPass.

Investing in Seismic Upgrades to Schools

Objective:

Support state funding seismic upgrades to public school buildings.

Issue:

Scientific studies have concluded that Cascadia Subduction Zone earthquakes have occurred off the Oregon Coast on average every 300 years. With the last major quake occurring in the year 1700, Oregon is due for the next “big one.” In 2002, Oregon voters approved a ballot measure that permitted the state to incur up to \$1 billion in debt to retrofit public school buildings to withstand a major earthquake. However, the State has only awarded \$19 million to upgrade schools across the state.

The City of Portland supports issuing bonds to make a significant investment in seismic retrofits of public school buildings in Oregon.

Education

Tuition Equity for Oregon Students

Issue:

Support tuition equity, allowing all students from Oregon's K-12 schools to pay in-state tuition at state universities.

Background:

The increasing cost of tuition at higher education institutions has placed a college degree out of reach for many students. For those working their way through college, the ability to receive in-state tuition as opposed to out-of-state tuition can mean the difference between attending or not attending college for many young people.

The City of Portland supports tuition equity for students who have received their primary education in Oregon but are not legal U.S. citizens. Tuition equity will bring a college education within reach of deserving young adults, help contribute to the creation of a strong workforce, and will provide greater equity for all Oregon residents.

Energy

Energy Efficiency & Sustainable Technologies Program

Objective:

Support full implementation of the Energy Efficiency and Sustainable Technology Act (EEAST) to provide homeowners and building owners convenient financing for energy efficiency upgrades repaid through utility bills.

Issue:

In 2009, House Bill 2626 established the EEAST program to provide financing for energy-efficiency retrofits of commercial and residential buildings. EEAST provided new tools to offer up-front funding to Oregon homeowners and building owners to improve the energy efficiency of their homes, enabling owners to pay back the loans over time and have the loan obligation transferred to a subsequent owner. The program is overseen by the Oregon Public Utility Commission and administered by the Oregon Department of Energy and Energy Trust of Oregon. EEAST began with several pilot projects including Clean Energy Works Oregon. Current statute establishes EEAST to be in pilot phase until December 31, 2012.

The City of Portland strongly supports the full implementation of EEAST, including continuing the requirement that utilities offer on-bill repayment of the loans and loan repayment obligations that transfer with ownership of the property. Programs such as Clean Energy Works Oregon help the state address climate change, reduce greenhouse gases, improve energy efficiency, and create jobs in the clean energy sector.

Solar Property Tax Exemption

Objective:

Support removing the sunset on the property tax exemption for renewable energy systems or extending the expiration until July 1, 2030.

Issue:

The property tax exemption for renewable energy systems is set to expire July 1, 2018. After that date, any existing or new renewable energy installations will be included in the basis for a site's property taxes. If this program was allowed to expire, the average Portland homeowner with a solar energy installation would see an increase in their property taxes of \$50 to \$150 per year representing roughly 40 percent of the annual savings from the installation. Businesses with solar energy installations could see costs into the thousands of dollars per year. These impacts from expiration of the tax exemption will dramatically reduce the financial attractiveness of installing solar and be a major setback to the state meeting its renewable energy goals. The City of Portland supports lifting or extending the sunset on the property tax exemption for renewable energy systems.

Moreover, individuals participating in Oregon's solar volumetric incentive rate pilot can commence producing solar energy as late as July 2015 for a 15-year term. Extending the property tax exemption until at least July 1, 2030 will align these two state incentive programs for solar energy production and support the growth of solar energy across Oregon.

Energy

Solar Volumetric Incentive Rate

Objective:

Support making the statewide solar volumetric incentive rate pilot program for solar energy generation a permanent program that applies to all utilities and includes additional renewable energy technologies.

Issue:

In June 2009, the Oregon Legislature established a pilot project for a solar volumetric incentive rate (VIR) and payment program. The goal of this pilot project was to demonstrate the use and effectiveness of a VIR in promoting solar photovoltaic installations in Oregon. Under the incentive program, customers of Portland General Electric, Pacific Power, and Idaho Power may receive a premium payment in addition to net metering for kilowatt-hours generated over 15 years by solar electric systems. This premium payment is in lieu of state tax credits or Energy Trust of Oregon incentives. The current program is limited to an aggregate cap of 25 megawatts of solar photovoltaics and expected to run until 2014.

The City of Portland supports making the volumetric incentive rate a permanent ongoing program, and expanding the scope of the program statewide to include all utilities and additional renewable energy technologies, such as small wind, solar thermal, biopower and geothermal. The City also supports moving toward a feed-in tariff, rather than a system based on net metering, to allow the full amount of electricity generated to be sold to the grid and larger systems to participate in the program. Establishing an ongoing VIR program will support jobs for renewable energy installers and demand for renewable energy technologies including products manufactured in Oregon. It will also support state efforts to meet renewable energy goals.

Net Metering Cap Increase

Objective:

Support continued installation of solar energy systems by eliminating or substantially increasing the statutory cap for total installed capacity on net metered projects.

Issue:

State statute allows net metering of renewable energy sources installed on a home or business, whereby the amount of electricity produced by those sources is deducted from the total amount of energy used, giving the owner the full retail value of the electricity produced. This policy has proven to be a critical tool for adoption of solar energy in Oregon. However, Oregon utilities are only required to provide net metering until total installed capacity equals one-half of one percent of the utility's "historic single-hour peak load." Oregon's investor-owned utilities could reach this cap soon, at which point they will no longer be required to allow customers to net meter their on-site renewable energy generation projects. Without net metering, the market potential for distributed renewable energy, and rooftop solar in particular, would be severely restricted, resulting in a significant number of lost jobs and slowing the state's progress toward meeting greenhouse gas reduction goals.

Energy

Community-Shared Solar Energy

Objective:

Promote community-shared solar energy programs by supporting legislation that removes or lowers barriers for homeowners and renters who want to participate in a shared solar energy project.

Issue:

The City of Portland has a long-standing commitment to supporting the development of a market for solar energy. The 2009 City of Portland/Multnomah County Climate Action Plan calls for ten percent of the energy used in Multnomah County to be produced from on-site renewable sources by 2030. The Bureau of Planning and Sustainability established a solar energy program in 2006 and, along with key partners, has helped dramatically increase the amount of installed solar capacity in Portland since that time. Despite many gains, solar energy remains out of reach for many Portland residents, including renters, lower-income individuals, and people who live in neighborhoods with more shade than sun.

In recent years, community-shared solar energy has emerged as an innovative strategy to expand the use of renewable energy. These projects allow residents to pool their funds to support the installation of a solar system on a third-party-owned site. In a recent public-private pilot to develop a model for community-shared solar, the City and partners identified a number of legislative and regulatory barriers to successful implementation of this model. The City of Portland supports the following state policies to better align state incentives and regulations to support community-shared solar energy:

- Exempting Community-Shared Solar Energy from Securities Registration Regulations: Under current law, any entity, no matter how small, that attempts to raise capital for a community solar energy project may be deemed to be issuing securities if it offers or sells stock, membership units, partnership interests, or other types of participation interests. This creates a significant cost and administrative burden for the growth of community-shared solar energy. The City supports exempting community-shared solar energy programs from state securities laws by adding community-shared solar energy as a definition under ORS 59.025.
- Virtual Net Metering: Oregon law currently allows net metering of renewable energy sources installed on a home or business, whereby the amount of electricity produced by those sources is deducted from the total amount of energy used, giving the owner the full retail value of the electricity produced. Net metering has proven to be a critical tool for adoption of solar energy in Oregon by homeowners and building owners. However, renters and building lessees are not able to make use of net metering.

The City supports allowing “virtual” net metering, whereby the owner and/or manager of a solar array distributes the electricity generation amongst multiple electric service accounts that have a share of the system. Utilities then apply this information as a credit toward participants’ energy bills for their portion of solar energy production—just as they would for individually-metered systems.

(Continued on page 28)

Community-Shared Solar Energy (Continued)

- Expanding Residential Energy Tax Credit Eligibility: Currently, residents participating in community-owned solar programs are not eligible for the Residential Energy Tax Credit (RETC), which provides a state tax credit to homeowners who invest in a solar energy installation on their home. The City of Portland supports amending the RETC to allow residents who participate in community-shared solar energy programs to qualify. This will provide an incentive for individuals to support solar energy even if they do not own a home, cannot put solar on their home because of shade or other factors, or who want to invest in local solar energy generation without paying for the entire cost of a solar energy installation.

Environment & Sustainability

Single-Use Plastic Shopping Bags

Objective:

Support legislation that would establish a statewide ban on single-use plastic shopping bags and promote the use of reusable shopping bags.

Issue:

Single-use plastic shopping bags are a major source of ocean pollution, are rarely recycled, and create significant problems in sorting and processing recyclable materials. In 2011, the City of Portland banned single-use plastic bags at large grocery stores and pharmacies. A city ordinance expanding the ban of single-use plastic bags to cover all retailers and restaurants was adopted in 2012 and will take effect later this year. Portland also actively promotes the use of reusable shopping bags. Since adoption of the Portland policy, the percentage of reusable checkout bags has increased from seven percent to 39 percent. Meanwhile, other local jurisdictions in Oregon and neighboring states have adopted, or are considering, policies to curb use of single-use plastic bags. The City of Portland supports a comprehensive statewide plastic bag ban.

Compostable Products Labeling

Objective:

Support legislation that requires retail product labels claiming the product will break down in the environment to meet specified national or international standards. Prohibit using labels for which there is no standard.

Issue:

Conventional plastic products do not break down and often become litter, causing significant environmental harm. To avoid these impacts, many individuals and businesses have sought plastic products that claim to be “degradable,” “biodegradable,” or “decomposable.” However, these labels can be misleading.

A product’s ability to biodegrade is a function of both the physical and chemical makeup of the product and the environmental conditions to which it is subject. Unless the claim includes a thorough disclaimer providing necessary qualifying details, use of these terms on plastic products is inherently misleading. To include such a disclaimer would be cumbersome to manufacturers and ultimately impractical. Moreover, successful composting efforts such as the City of Portland’s restaurant and curbside programs depend on providing Oregon composting facilities with quality feedstock that can be made into a high-quality product. Consumer confusion about which products are compostable creates an obstacle to maintaining quality feedstock for composting facilities.

Given the complex nature of biodegradation, the state should require products that would be labeled as “compostable,” “home compostable,” or “marine degradable” to provide proof they have met specified national or international standards. The state should also prohibit sale of products with inherently confusing labels such as “degradable,” “biodegradable,” or “decomposable.” This will provide consumers better information, as well as reduce the introduction of contaminants into composting facilities.

Environment & Sustainability

Take Back of Toxic Substances

Objective:

Support expansion of the state's toxic take-back program to prevent contamination of ground water, drinking water, and reduce harm to aquatic life.

Issue:

Many pollutants end up in water supplies because they are improperly disposed of or are stored in faulty containers. These pollutants threaten fish and other aquatic life, as well as ground and surface drinking water supplies. Unwanted toxic substances such as pesticides or fuels can also end up in storage in both urban and rural environments due to inadequate opportunities for safe disposal. Certain pollutants can be extremely difficult to remove from water through treatment processes.

Efforts that focus on preventing the improper disposal of toxics can reduce the risk of accidental spillage and water contamination. The City of Portland supports state efforts to expand the Pesticide Stewardship Partnership Program to meet statewide needs. This program will work with pesticide users to ensure better stewardship of unused pesticides, helping to address the significant quantity of toxic substances that have been neglected or stored because people or businesses have not known how to dispose of them correctly or could not afford to dispose of them.

Paint Stewardship

Objective:

Support legislation that would make Oregon's pilot Paint Product Stewardship Law permanent.

Issue:

Leftover paint is the largest component of household hazardous waste collection programs. An estimated 10 percent of the more than 750 million gallons of architectural paint sold each year goes unused. This difficult-to-manage waste can be captured for reuse, recycling, energy recovery, or safe disposal.

In 2009, House Bill 3037 established Oregon's Paint Product Stewardship Law, a first-in-the-nation program for managing leftover architectural paint. Retailers selling paint in Oregon must ensure that manufacturers of any paint they sell are participating in the statewide paint stewardship pilot program, and at the time of sale they must provide the consumer with information on recycling and collection opportunities available through the stewardship program. In the first year of this program, over 450,000 gallons of leftover paint were collected at more than 90 sites. Due to expire in June 2014, the City of Portland supports reauthorizing the pilot Paint Product Stewardship Law as a permanent program.

General Government

Maintain Local Public Contracting Authority

Objective:

Protect the City of Portland's authority to set standards and procedures for local public contracting while preventing new burdensome requirements on the City's procurement processes.

Issue:

The City of Portland has a long-term interest in protecting local authority to set policies regarding contracting for services and products. Ongoing changes in state contracting law can create burdens on those awarding and administering contracts. While the purposes for such laws are often positive, they are many times also vague or unenforceable. In addition, the City of Portland has taken significant local action by passing a series of resolutions aimed at increasing fairness in the local public contracting process. Mandatory state standards in public contracting often have the ancillary effect of burdening and complicating the City's ability to create local standards and procedures that are responsive to community needs and mindful of efficiency in administration.

The City of Portland supports simplification in the contracting process and preservation of local control in public contracting.

Human Resources

Paid Sick Leave

Objective:

Support legislation that expands paid sick leave to allow Oregon workers to keep their jobs while taking necessary time off to care for themselves and their children.

Issue:

Currently, 40 percent of private-sector Oregon workers and 80 percent of low-income workers do not receive any paid time off when they or a family member becomes ill. Workers who come in to work sick may spread their illness and the estimated cost to our national economy is \$160 billion annually in lost productivity. Earned paid sick leave allows a worker to stay home to take care of himself/herself or a sick family member, or to attend a doctor's appointment without losing pay for that time off from work. Paid sick leave helps protect the health and well-being of families and coworkers by making sure that workers don't have to sacrifice their health because of lost wages.

Several major U.S. cities and the state of Connecticut have already implemented paid sick days. In San Francisco, where the policy was implemented in February of 2007, more than two-thirds of businesses have indicated their support for paid sick leave. The City of Portland supports expanding paid sick leave statewide to protect Oregon workers, businesses, and families.

Insurance Coverage of Autism

Objective:

Support legislation to mandate insurance coverage for autism spectrum disorders as defined by the American Psychiatric Association. Legislation should include considerations about treatment plan standards that are age appropriate, meet treatment goals, and have quality measurements.

Issue:

Autism is a medical and behavioral health condition that now affects 1 in 110 children nationally, with even higher rates in Oregon. Currently, insurance plans operating within Oregon are not required to cover specialized treatments for autism spectrum disorders, even though intensive behavioral health treatments have gained wide acceptance as effective treatments.

In 2012, the Portland City Council voted to include insurance coverage for autism within the self-insured benefits package offered to City employees. The City of Portland supports statewide efforts to expand coverage of autism by requiring insurance plans operating in Oregon to cover evidence-based treatments for autism spectrum disorders. In addition, the City is committed to preserving the high standards for treatment already approved by the City Council.

Human Resources

Actuarial Standards for Post-Employment Benefits

Objective:

Oppose legislation that would impose unfunded mandates on local governments to follow actuarial standards other than those required by the Governmental Accounting Standards Board (GASB) for post-employment health and pension benefits.

Issue:

The City of Portland, like all state and local governments, is responsible for GASB Statement No. 45, which establishes standards for the measurement, recognition, and display of other post employment benefits (OPEB) expense/expenditures and related liabilities (assets) that are distinct from pension payments. GASB allows state and local governments to fund OPEB costs by either pay-as-you-go or pre-funding of the future liabilities. The City of Portland currently applies the pay-as-you-go model to meet its funding obligations. In recent legislative sessions, bills have been introduced proposing to mandate that public entities pre-fund OPEB over a 25-year amortization schedule. Such a requirement would cause unnecessary and dramatic cost increases to the City of Portland and taxpayers, and reduce public services.

Though the City does not pay for post-retiree health benefits, it does allow retirees to purchase health benefits at the City's group rates, consistent with requirement of state law (ORS 243.303). Past legislative proposals have sought to require the implicit subsidy of health premiums after retirement to be pre-paid by public entities within the State. The City of Portland Health Fund is well managed and maintains appropriate reserve levels, making additional statutory requirements on its management cumbersome and unnecessary. Requiring the City of Portland Health Fund to pre-fund its implicit subsidy of health premium would cost near \$1 million annually.

Similarly, past legislative proposals would have required that the City of Portland make contributions for non-PERS public retirement plan benefits provided through the City of Portland's Fire and Police Disability, Retirement, and Death (FPDR) Benefit Plan to a separate account with a 25-year amortization schedule. The Benefit Plan is a pay-as-you-go plan funded by a dedicated tax levy. The FPDR levy would have to essentially double in order to comply with the proposed legislation, dramatically increasing taxes for all Portland properties not in compression and putting many others into compression. An increase in property tax compression would in turn reduce revenue for all other general government levies in Portland, resulting in reduced public services.

Portland is already addressing the unfunded pension liability issue through the voters' approval of the 2006 ballot measure that put new sworn hires into PERS. At a time when the FPDR levy is increasing due to the voters' agreeing to fund two generations of police and fire pension benefits simultaneously, a new statutory requirement to make additional contributions would almost certainly result in FPDR reaching its \$2.80 maximum millage rate on real market value. The City of Portland General Fund would then be responsible for the requirement above the levy revenue, resulting in even greater reduction to public services. The City of Portland, like almost all public entities in Oregon, is constrained by statute on how it can invest its financial assets. Without other statutory changes, the City's earnings on the separate account would be far less than those that PERS earns on its investments. Because of this constraint, the separate account requirement would be an inefficient way to fund the FPDR Plan.

Land Use

Provision of Urban Services to Unincorporated Areas

Objective:

Oppose legislation that would give owners of unincorporated property the ability to force a municipal sewer or water provider to extend service beyond its urban services boundary to the property.

Issue:

Properties in unincorporated areas typically gain access to city services when annexed into a city. Municipal water and sewer providers also have the ability to negotiate agreements to serve property outside their service area, but located within the Urban Growth Boundary. Legislation was introduced in 2012 (HB 4090) that would have given owners of unincorporated property the ability to force a municipal service provider to extend water or sewer service to the property outside of its service area. The City of Portland will oppose legislation that would allow property owners outside the City's urban services area to demand urban services that circumvent local urban service agreements or annexation policies or plans.

Public Safety

Modernize Emergency Communications

Objective:

Support legislation to modernize emergency communications and protect public safety by requiring multi-line telephone systems in buildings to have the capacity to report specific locations of a call to 9-1-1 agencies.

Issue:

Currently, many large campuses and corporate environments are unable to identify specific location information to 9-1-1 agencies when emergency calls are made from those buildings. This is because many such buildings have their telephones connected to a multi-line telephone system (MLTS) or a Private Branch Exchange (PBX). Calls from these systems are imprecisely located by the 9-1-1 database, and will usually display the main address of the caller, not the specific location of the caller in danger. Emergency crews may be misdirected and/or delayed when responding to an emergency call from a MLTS or PBX. The possibility of a potential crisis is serious in a large single-building entity, like a hotel, and is compounded in multi-building organizations, such as college campuses.

The City of Portland supports legislation that would require MLTS users to install upgrades to their systems that support specific address and location information for each telephone station. This will enable 9-1-1 operators to use that information to direct first responders to the correct address, building, floor, or even cubicle. This will shorten response time to emergency calls, thereby increasing protections for people and properties.

Limiting the Concentration of Video Lottery Establishments

Objective:

Protect public safety and neighborhood livability by supporting legislation that limits video lottery establishments in concentrated areas.

Issue:

The saturation of businesses offering video lottery in concentrated areas has raised many concerns from affected neighborhoods. The City of Portland takes these concerns very seriously and is committed to protecting quality of life and public safety when storefronts begin to predominantly cater to video lottery business. A concentration of video lottery businesses can have detrimental effects to neighboring communities because they take the place of other services and provide a central location for individuals struggling with gambling addiction.

The City of Portland will advocate for the concerns of surrounding neighborhoods to make sure that establishments offering video lottery are not casinos in disguise, but are functioning non-lottery businesses that happen to have gaming machines, and that such establishments are located far enough apart so as not to dominate a neighborhood and detract from that neighborhood's quality of life.

Public Safety

Serious or Persistent Problems at Liquor-Serving Establishments

Objective:

Support legislation that provides the Oregon Liquor Control Commission (OLCC) with feasible grounds to intervene earlier to address public safety and neighborhood livability problems caused by problem liquor-serving establishments.

Issue:

There are over 2,500 licensed liquor establishments within Portland City limits. Most licensed establishments are responsible businesses that contribute to the City's vibrancy.

There are some instances, however, where licensed establishments pose serious risks to public safety due to poor management and oversight of their customers. Under current law, in order to cancel or suspend an annual liquor license, the OLCC must find that there is a history of both serious and persistent problems at the establishment. One murder may be considered serious, but not persistent, while ten complaints of public urination and littering may be considered persistent, but not serious. This makes it nearly impossible for OLCC officials to meet the statutory criteria of serious and persistent and prevents timely intervention when public safety and neighborhood livability threats are present.

The City of Portland supports legislation to allow the OLCC to take timely action against an establishment that has either serious or persistent problems—not necessarily both. This will allow the Commission to better achieve its statutory mandate of protecting the public health, safety, and welfare.

Public Safety Representation on the Oregon Liquor Control Commission

Objective:

Support a statutory requirement that one member of the Oregon Liquor Control Commission (OLCC) must have a background in public safety.

Issue:

The City of Portland supports legislation to designate one seat on the OLCC for a person with a background in public safety. Current law reserves a spot on the Commission for the liquor industry. For years, everything from annual liquor license applications to petitions for rulemaking have been analyzed by a Commission that lacks public safety experience, and too often decisions are made that do not adequately consider the impact to the public safety community. Adding a seat for law enforcement will improve balance and perspective on the Commission, and bring Commission representation more in line with the intent of the Liquor Control Act.

The City of Portland will support legislation that designates one of the five seats on the OLCC to a person with a public safety background.

Public Safety

Construction of County Courthouses

Objective:

Support issuing state bonds to help Oregon counties, including Multnomah County, build new courthouses.

Issue:

Access to justice is fundamental to democracy. Currently, courthouses across the state are in various states of disrepair after years of neglect and increasing demand on the justice system.

Inadequate courthouse facilities create hurdles to the justice system for both the public and the City of Portland because the legal process is slowed down due to overcrowding and outdated facilities. Additionally, in the event of a natural disaster, the age and condition of local courthouses creates serious safety risks and the possibility that courts would be inaccessible for a prolonged length of time.

As the Legislature prioritizes bonding capacity in the 2013 session, the City of Portland supports using a portion of available funding to rebuild and refurbish county courthouses.

Revenue

State Shared Revenue

Objective:

Preserve the City's share of state liquor, tobacco, and 9-1-1 emergency communications revenues, which fund essential public services.

Issue:

Liquor & Tobacco Taxes: The City receives more than \$13 million in revenue from liquor and tobacco taxes through the state shared revenue funding formula. The shared revenues received from the state are allocated into the City's General Fund and are an important piece of funding for the City's public safety budget and other essential services. Any cuts to this funding source would significantly impact the City's ability to adequately fund public safety and other important services.

Emergency Communications: The City of Portland's Bureau of Emergency Communications (BOEC) provides 9-1-1 call answering and dispatch services to all of the police, fire, and medical responders in Multnomah County. In addition to renewing the 9-1-1 excise tax (see page 3), the City supports the maintenance of the shared revenue formula, as any cut to it would significantly hinder BOEC operations and the ability to dispatch emergency services in a timely manner.

Transportation

Modernize & Enhance Transportation Funding

Objective:

Support legislation to bolster long-term funding for multimodal transportation to better meet the evolving and growing needs of Oregonians and businesses.

Issue

Transportation investments are a key component to economic development and community livability. However, the need for new infrastructure and ongoing maintenance outpaces available transportation revenue at the state and local levels.

The City of Portland supports legislation to modernize and enhance the transportation funding model to better meet changing technologies and needs. These reforms include:

- Support greater flexibility for local governments to raise transportation revenue by allowing the preemption on local gas tax increases to expire on January 2, 2014.
- Support dedicated state funding for non-roadway transportation modes, including investments in public transit operations and pedestrian, bicycle, and passenger rail transportation in addition to marine, freight rail, and aviation investments.
- Support adoption of a road usage charge as a long-term replacement for declining gas tax revenue to ensure that drivers pay a fair share for road maintenance and construction.

State and local governments need flexibility and innovation to meet the transportation needs of the 21st century. These proposals are a starting point for bringing Oregon's transportation revenue system up to speed with changes in driving habits and technology.

Water

Willamette River Basin Storage & Water Resources Department Contracting Authority

Objective:

Support the reallocation of stored water in the Willamette Basin to meet municipal water needs while maintaining environmental standards.

Issue:

Water stored by the nine federal dams in the Willamette Basin is currently not available for municipal use. Beginning in June 1996, the U.S. Army Corps of Engineers began working cooperatively with the State of Oregon and stakeholders as part of the Willamette Basin Reservoir Study. This study was put on hold in 2000 following the listing of Willamette River stocks of salmon and steelhead under the Endangered Species Act. Following a federal biological opinion issued in 2008, the Reservoir Study has slowly resumed, with stakeholders continuing to advocate to make their voices heard on future plans for stored Willamette River Water.

Recently, the U.S. Bureau of Reclamation, Army Corps of Engineers, Oregon Water Resources Department (OWRD), and municipal water providers have been working together to develop an orderly process for reallocating some of that stored water for municipal use. This effort includes providing legal authority to the OWRD to contract for water with federal agencies and, in turn, sell it to water providers. This authority would simplify the sale of water by the federal government, which does not want to deal directly with dozens of water providers.

The City of Portland is supportive of this effort to reallocate water stored by federal dams in the Willamette Basin for municipal use while maintaining water quality and environmental standards established in the biological opinion. The City also supports authority for OWRD to contract to buy water from the federal government and resell it.

Split Season Water Rights

Objective:

Support legislation to make the Water Resources Department split season water rights program permanent.

Issue:

The City of Portland supports making the split season water rights leasing program permanent. Since its approval by the Legislature in 2001, this program has allowed a water right holder to use their water rights for just part of the year and lease their rights out for the remainder of the year to another water user, as long as the uses do not occur at the same time. Scheduled to sunset on January 2, 2014, this program offers a framework for promoting instream use of water. Since its creation, about a dozen water right holders from across the state have participated in the program, including water right holders from the Willamette Basin.

Water

Integrated Water Resources Strategy

Objectives:

Support the Oregon Water Resources Department in their development and implementation of a Statewide Integrated Water Resources Strategy.

Issue:

The City of Portland participated in development of the Integrated Water Resources Strategy (IWRS) and supports its implementation. The IWRS provides a blueprint to help the state better understand and meet its instream and out-of-stream needs, taking into account water quantity, water quality, and ecosystem needs. Provisions of the IWRS that the City supports include:

- Granting the Oregon Water Resources Department authority to act as a water resources developer.
- Granting the Oregon Water Resources Department the authority to alter names and contact information on water right permits when they are transferred. Records can otherwise be difficult to research and track. Transfers may occur because they are inherited or sold—either as part of a land sale, when water providers are merged, or sold directly.
- Increasing budget stability at the Oregon Water Resources Department.

Municipal Water Rights

Objective:

Monitor legislation that would affect the ability of local governments to manage municipal water supplies.

Issue

A city's access to reliable water supply is an important facet of economic development, public health, and the general quality of life of its residents. Current Oregon law and administrative rules provide predictability for municipal water providers to maintain water rights and make infrastructure investments, as well as support local water conservation efforts. The City of Portland supports maintaining this balance and will oppose measures that would prevent the City from meeting current or future water needs.

Water

Derelict Vessels

Objective:

Support legislation to address abandoned and derelict boats, floating homes, and boathouses.

Issue:

Oregon state statutes do not currently provide clarity regarding how to address abandoned and derelict vessels. This is an issue of growing statewide concern as more boats have been abandoned and crime on some of these abandoned vessels has increased. Additionally, there are environmental concerns with derelict boats as they break down and become potential pollutants.

Addressing concerns with abandoned and derelict vessels has created a workload and resource issue for local river safety agencies. The City of Portland supports the work of the State Marine Board to address concerns regarding derelict vessels.

Funding for Environmental, Water & Water Quality Programs

Objective:

Monitor budget cuts and possible fee increases relating to the budgets of the Oregon Water Resources Department, the Oregon Department of Environmental Quality, and the state Drinking Water Program.

Issue

Given ongoing budget challenges at the state, agencies may again be constrained in reaching their essential budget levels. Although the Water Resources Department, Department of Environmental Quality (DEQ), and the Public Health Division Drinking Water Program are supported in part by fees and federal dollars, the availability or shortfall of state funding for these agencies has direct effects on the City of Portland.

The City relies on these state agencies to provide permits, perform regulatory review of our operations or projects, or administer programs that support the provision of water and water quality services. These agencies provide expertise that is threatened by personnel cuts, including the challenge of comprehensively addressing non-point source pollution. For DEQ specifically, the City is concerned about the possibility that the Environmental Protection Agency will no longer consider the agency capable of adequately administering delegated programs without adequate funding. These concerns are compounded by federal requirements for state matching funds in some programs. The City of Portland will advocate for adequate funding for these state agencies and their programs during the 2013 Legislative Session.

Water

Ecosystem Credit Markets

Objective:

Monitor legislation that promotes ecosystem services markets and watershed restoration.

Issue:

The development of ecosystem services markets in Oregon could significantly benefit local and regional efforts to restore the health of watersheds and rivers. An ecosystem services market is an organizational structure for buying and selling units of environmental benefit, known as credits. Credits are created through the conservation or high-quality restoration of naturally functioning ecosystems. An ecosystem services market connects those willing to pay for actions that improve and protect the ecosystem with people who can take those actions.

In particular, an ecosystems service market could significantly affect the City of Portland's efforts to establish a mitigation bank for the restoration of the north reach of the Lower Willamette River, and may impact the City's restoration activities on the Willamette and its tributaries.

Invasive Species

Objective:

Monitor legislation that addresses the management and control of invasive species, statewide invasive species policy, and the Oregon Invasive Species Council.

Issue:

Invasive species are a continuing concern across Oregon because of the potential to cause widespread ecological and economic harm. The Oregon Invasive Species Council is responsible for organizing a coordinated and comprehensive effort to keep invasive species out of the state and to eliminate, reduce, or mitigate the impacts of invasive species already established in Oregon. The City of Portland has an interest in monitoring any legislation that affects this Council or addresses invasive species policy generally. In particular, the City will continue to monitor state actions regarding Quagga mussels and associated boat inspection programs to prevent their introduction into Oregon. Once established in a water system, Quagga mussels are extremely difficult to remove and cause extensive damage to submerged infrastructure, including dams and intake pipes.