

**Amend City Code related to the administration of the Portland Clean Energy  
Community Benefits Initiative**

If you wish to speak to Council, please print your name, address and email

Name (PRINT)	Address and Zip Code (Optional)	Email (Optional)
✓ Edith Gills		
✓ [Handwritten signature]		
✓ Charles Bridgecrane JOHNSON		
✓ [Handwritten signature]		

**McClymont, Keelan**

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**From:** Amy Ruiz <amyr@strategies360.com>  
**Sent:** Thursday, December 12, 2019 2:00 PM  
**To:** Council Clerk – Testimony  
**Cc:** Dennis, Kristin; Diaz, Samuel; Williams, Tia; Adamsick, Claire; Runkel, Marshall; Dunphy, Jamie; Edwards, Karly; Gwenn Baldwin  
**Subject:** Oregon Smart Growth testimony re #1157 PCEF amendments  
**Attachments:** Oregon Smart Growth written testimony on PCEF Exemption 12-12-2019.pdf

All —

Attached, please find written testimony on behalf of Oregon Smart Growth, in support of the proposed PCEF amendment that clarifies the definition of Large Retailer to exempt construction. The proposed change is well-written, tying it to language defining a “construction contractor” in state law. We believe this narrow exemption aligns with voters’ common understanding of the term “Large Retailer” and the public conversation about the proposed measure, which focused on national-scale chain stores with more than \$1 billion in national and \$500 million in local sales.

Approving this exemption also relieves an unexpected cost that directly impacts not only the viability of housing projects and the inclusionary units those projects can provide, but also the rents levels needed to support development.

Thank you.



December 12, 2019

Mayor Ted Wheeler and City Commissioners Eudaly, Fish, Fritz, and Hardesty  
1220 SW Fourth Ave.  
Portland, OR 97201

Dear Mayor Wheeler and Commissioners,

On behalf of Oregon Smart Growth, I want to thank you for your work with stakeholders over these past months on the Portland Clean Energy Fund.

As the City seeks to implement a program that will fund clean energy projects and jobs training opportunities—with the goal of creating new economic opportunities for low-income Portlanders, including women and communities of color—we appreciate the recent work to clarify the definition of Large Retailer to exempt construction. The proposed change to the Large Retailer definition before you today is well-written, tying it to language defining a “construction contractor” in state law. And we believe this narrow exemption aligns with voters’ common understanding of the term “Large Retailer” and the public conversation about the proposed measure, which focused on national-scale chain stores with more than \$1 billion in national and \$500 million in local sales.

This is an important change. Local voters approved the Portland Clean Energy Fund. Those same voters have twice supported increased investments in housing for our community, through the Portland and the Metro Affordable Housing bonds. It’s clear our community not only values the goals of PCEF, but understands we need more housing, and the stabilized rents that happen when housing supply keeps pace with growth and need.

As you know, we need to use every tool available to us to increase housing supply at all levels of affordability—including the deeply-affordable subsidized units supported by voter-approved housing bonds, the 60% and 80% MFI units envisioned under the Inclusionary Housing Program, and the market rate apartments affordable to residents at middle-income levels.

By reducing regulatory barriers to dense walkable housing and mixed use developments, the market can produce the right product in the right locations to meet today’s needs, while giving long-time residents the ability to remain as neighborhoods grow. This will also bring the effective cost of housing down to more affordable levels.

Today’s construction exemption corrects the unintended barrier created if the PCEF surcharge applies to construction. Approving this exemption relieves an unexpected cost that directly impacts not only the viability of housing projects and the inclusionary units those projects can provide, but also the rents levels needed to support development.

As an example, the 182-unit development that broke ground this summer at SW 18<sup>th</sup> Avenue and SW Salmon includes 10 units of 2-bedroom inclusionary housing at 60% MFI. In August, the project team learned the PCEF surcharge would have a projected \$489,000 unanticipated impact on the cost of construction. This significant unanticipated cost is very difficult to absorb at this late stage of a project. Even at earlier stages of development, an additional cost of this magnitude threatens the feasibility of critically-needed housing projects.

We appreciate that the Council and stakeholders have recognized this as an unintended impact that would be a step backwards on our shared housing goals, and have proposed this narrow exemption to address it.

In addition to housing, the unanticipated additional cost on construction projects of all types across the city carries a significant risk to the feasibility of those projects as well—which also risks the well-paying construction jobs these projects produce, and the community benefits of projects such as modernized schools and commercial space for small businesses.

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*Mill Creek Development*

Vice President  
Sarah Zahn  
*Urban Development Partners*

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Tim O’Brien  
*Urban Asset Advisors*

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*Wood Partners*

Damian Uecker  
*Banner Bank*

Christe White  
*Radler White Parks & Alexander LLP*

Executive Director  
Gwenn A. Baldwin  
[gbaldwin@oregonsmartgrowth.org](mailto:gbaldwin@oregonsmartgrowth.org)

Finally, it is our understanding that this exemption is intended to apply to the entire 2019 tax year upon approval; we would urge the Council to clarify that intention in the ordinance language.

We thank you for taking the time to address this issue, urge you to approve it, and look forward to our continued work together to ensure Portland is on track to meet our community's housing needs at all levels of affordability.

Sincerely,

A handwritten signature in black ink that reads "Gwenn A. Baldwin". The signature is written in a cursive, flowing style.

Gwenn A. Baldwin  
Executive Director

**McClymont, Keelan**

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**From:** Jon Isaacs <jisaacs@portlandalliance.com>  
**Sent:** Thursday, December 12, 2019 1:29 PM  
**To:** Council Clerk – Testimony  
**Cc:** Amy Lewin  
**Subject:** Letter from PBA regarding agenda item 1157  
**Attachments:** 20191212-PCES amendments support letter.pdf

Please accept the attached letter from PBA President and CEO, Andrew Hoan, regarding agenda item 1157. Thank you.

**Jon Isaacs** | *Vice President, Government Affairs*  
Portland Business Alliance, *Greater Portland's Chamber of Commerce*  
Desk: 503-552-6746 | Mobile: 503-757-5721 | [jisaacs@portlandalliance.com](mailto:jisaacs@portlandalliance.com)



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Dec. 12, 2019

Portland City Council  
1221 SW Fourth Ave., Room 130  
Portland, Oregon 97204

**RE: PBA Support for Amendments to City Code 7.02 and 7.07, Portland Clean Energy Surcharge**

Honorable Mayor Wheeler and Members of the City Council:

The Portland Business Alliance (the Alliance) is greater Portland's Chamber of Commerce, and we represent the largest and most diverse business network in the region. The Alliance takes direction from our members to advocate on their behalf at all levels of government to support commerce, community health, and the shared and sustainable prosperity for our region and state.

On behalf of our 1,900 members, I am writing to express our support for the proposed amendments to city code 7.02 and 7.07, which will make critically important modifications to the Portland Clean Energy Surcharge (PCES).

By explicitly exempting the construction industry, the sale of retirement plans and residential garbage service – industries that are not retail by any definition – the amendments take an important step toward aligning the PCES with what the community was informed, in both campaign materials and official measure documents, was a tax only on large retail businesses. While we are disappointed the ordinance does not establish a comprehensive definition of retail that is consistent with widely recognized industry codes, the proposal represents a compromise that is worthy of support by the council and all stakeholders.

The City of Portland is in the midst of a housing crises, and despite historic increases in the median family income, many families are struggling to pay for the rising costs of housing and the overall cost of living in our city. By exempting construction, the sale of retirement plans, and residential garbage and recycling, the ordinance will ensure that the PCES impact on the rising cost of living in Portland will be reduced. Further, it will ensure public and private construction projects, including affordable housing, are not hit with what would be, in many cases, unanticipated costs.

While we would like to have seen the amendments go further, we greatly appreciate the cooperation and collaboration with Mayor Wheeler, Commissioner Hardesty and the entire council in developing this compromise proposal, and we urge your support.

Going forward, the Alliance is committed to working closely with all stakeholders to ensure the Portland Clean Energy Fund is managed with transparency and accountability so it is successful in accelerating Portland toward meeting its goals for sustainability and shared prosperity in the coming years.

Lastly, we affirm that the Alliance recognizes the urgent need for governments and elected leaders at all levels to adopt strong policies, in collaboration with the private sector, to reduce carbon emissions and the growing impacts of climate change. We believe partnership and collaboration between environmental leaders, elected officials and the private sector is what will continue to produce the strongest and most impactful climate policies now and for future generations.

Sincerely,

Andrew Hoan  
President & CEO

# Portland Haulers Association

Testimony to Portland City Council  
December 12, 2019

*Amend City Code related to the administration of the  
Portland Clean Energy Community Benefits Initiative*

Good afternoon Mayor Wheeler and members of the Council. I am Beth Vargas Duncan, Regional Director for the Oregon Refuse and Recycling Association and in that capacity I represent the Portland Haulers Association (PHA).

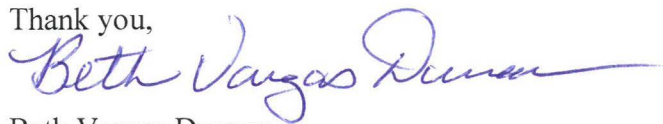
As you know, PHA members provide the residential solid waste and recycling collection services within Portland. Every hauler providing residential collection service in Portland is a member of the PHA and all members are committed to working cooperatively with the city's Bureau of Planning and Sustainability (BPS) staff to employ climate protective measures while providing safe, modern, and efficient waste collection services that include garbage, recycling, and organics collection at reasonable rates.

Please know that PHA members are invested as partners with Portland in meeting promoting climate protections as evidenced through implementation of clean fleet activities and investment in alternative fueling stations and trucks such as compressed natural gas.

We support the proposal before the Portland City Council today as this promotes clarity and transparency in the administration of residential solid waste services and rates. PHA members very much appreciate all the work of the council and staff in bringing forward these amendments.

PHA haulers look forward to continued demonstration of our strong commitment to providing excellent, trustworthy service to the residents of Portland while also producing sustainable, climate protective results with consistent operational safety.

Thank you,



Beth Vargas Duncan  
Regional Director  
Oregon Refuse and Recycling Association  
PO Box 2186  
Salem, OR 97308-2186  
971-707-1683  
[bethvd@orra.net](mailto:bethvd@orra.net)

**Moore-Love, Karla**

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**From:** Jeremy Rogers <JRogers@oregonrealtors.org>  
**Sent:** Tuesday, December 10, 2019 3:22 PM  
**To:** Moore-Love, Karla; Council Clerk – Testimony  
**Cc:** Daryl Winand  
**Subject:** Comments on City Council Agenda Item 1157 Amend City Code related to the administration of the Portland Clean Energy Community Benefits Initiative (Ordinance; amend Code Chapters 7.02 and 7.07)

Mayor Wheeler and Portland City Commissioners:

On behalf of the Oregon Association of REALTORS® and the Portland Metropolitan Association of REALTORS® I submit the following comments regarding Portland City Council Agenda Item 1157 to amend City Code related to the administration of the Portland Clean Energy Community Benefits Initiative (Ordinance; amend Code Chapters 7.02 and 7.07):

We have reviewed Portland City Code Chapter 7.02 and the proposed amendments to Chapter 7.02.

Chapter 7.02.400 (B) correctly acknowledges that the city may not tax income arising from transactions which the City is prohibited from taxing under the Constitution or the laws of the United States, the Constitution or laws of the State or Oregon, or the Charter of the City. We would like to remind the Council of Article IX, Section 15 of the Oregon Constitution, which states in relevant part:

The state, a city, county, district or other political subdivision or municipal corporation of this state shall not impose, by ordinance, or other law, a tax, fee, or other assessment upon the transfer of any interest in real property, or measured by the consideration paid or received upon the transfer of any interest in real property.

Thank you for the opportunity to get this important constitutional provision into the record.

Sincerely,

Jeremy Rogers, Staff Counsel  
Oregon Association of REALTORS®

Daryl Winand, Interim Director REALTOR® Advocacy  
Portland Metropolitan Association of REALTORS®



**Moore-Love, Karla**

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**From:** Howard Shapiro <howeird3@gmail.com>  
**Sent:** Tuesday, December 10, 2019 3:05 PM  
**To:** Council Clerk – Testimony  
**Subject:** Exemptions for PCEF

I am against any further businesses being exempt from the PCEF that are decided by the city council. PCEF was passed by a majority of Portland voters in its present form. It would be consistent with the wishes of the voters that any changes to the act should be voted on by them. City council should not take upon themselves grant exemptions without the approval of voters.

We have seen government cave to the wishes of big business many times before and as a result render good laws just meaningless words on the books.

Howard Shapiro  
7426 SE 21st Ave, Portland, OR 97202  
5419991581

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*Howard Shapiro*

**Moore-Love, Karla**

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**From:** Jynx Houston <jynxcdo@gmail.com>  
**Sent:** Tuesday, December 10, 2019 10:57 AM  
**To:** Council Clerk – Testimony  
**Subject:** CLEAN ENERGY FUND

ABSOLUTELY NO EXEMPTIONS FROM THE 1% BUSINESS TAX FOR THE CLEAN ENERGY FUND.

Thank you,  
Jynx Houston  
7605 SE Lincoln St.  
Portland, OR 97215