


EXHIBIT A

To: Portland City Council

From: Adena Long, Director, Portland Parks & Recreation

Date: July 14, 2020

Subject: Portland Parks 5-Year Operating Levy Referral

Mayor Ted Wheeler and Portland Parks & Recreation (PP&R) propose, for the November 2020 election, a five-year local option levy of \$0.80 per \$1,000 of assessed value.

As you heard in our November 26, 2019 Sustainable Future work session, PP&R is not appropriately funded to deliver the service levels that the community and City Council expect.

Without new, reliable funding, Portlanders will continue to see reductions to regular service and maintenance in parks and growing inequities in access to recreation programs.

COVID-19 has made our need more urgent and acute. PP&R closed all community centers and public pools and canceled all recreation programming in early March, making it impossible to earn the fees our funding model depends on. This financial domino effect means that, as things stand today, we are likely unable to open pools and community centers, or offer classes, camps, and swimming lessons in summer 2021 and beyond.

We shared a variety of potential funding options with you at the November work session. But today's global economic climate, combined with our growing immediate need, led us to a levy as the best option for our current situation. This levy would improve equitable delivery of our programs and services, end our reliance on user fees, increase safety and cleanliness in parks and natural areas, and grow Portlanders' access to nature by protecting water quality, planting more trees, and removing invasive species.

It would also enable PP&R to reopen community centers and public pools, and restart recreational programs in summer 2021. If COVID-19 extends into 2021, the

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levy would provide resources for PP&R to design equitable, safe, and accessible alternative recreation activities that meet current public health guidance.

If approved by voters, the levy will generate an average of \$48 million per year for five fiscal years. While PP&R does not expect that funding from a levy will reduce our ongoing General Fund allocation, we do expect that we will not need to make requests for additional General Fund for the life of the levy.

As Portland, and our parks system, continue to grow, PP&R is eager to provide the highest quality parks, natural areas, and recreation opportunities. And as a bureau we will continue to lead with equity – in the delivery of our services, in the growth of our lands and assets, and in our workforce and contracting. But to prevent unwanted cuts and closures, we need additional resources.

In this Resolution packet, attached as Exhibits B, C, and D, you will find a complete detailing of how levy funds would be used, the question and summary as presented to voters, and an accompanying explanatory statement from Council that would appear in the voter's pamphlet.

EXHIBIT B

AN ACT

A Measure directing a five year local option ad valorem property tax levy within the City of Portland at a rate of \$0.80 per \$1,000 of assessed value, outside certain constitutional limitations, commencing in fiscal year 2021-22, for parks and recreation purposes.

BE IT ENACTED BY THE PEOPLE OF THE CITY OF PORTLAND, OREGON

Section 1. Local Option Levy. Pursuant to Section 7-112 of the Charter of the City of Portland, the Council shall levy for each of five successive years commencing with the fiscal year 2021-22, at the time taxes are levied for the payment of expenses of the City, a special tax at a rate of \$0.80 per \$1,000 of assessed value, on all property in the City of Portland not exempt from taxation. This local option levy is specifically authorized, and it shall not be counted as within the limitation provided by Sections 11 of Article XI of the Constitution of the State of Oregon. This levy shall, however, be subject to proportional reduction under Section 11(11)(c)(B)(i) of Article XI of the Constitution of the State of Oregon. This special tax hereby authorized shall be in addition to all other taxes that may be levied according to law. The proceeds from such levy shall be placed in a special fund to be designated as the Parks Local Option Levy Fund.

Section 2. Purposes of Revenue. The money in the Parks Local Option Levy Fund shall be expended only for the following parks and recreation purposes: operating and providing park programs; improving and enhancing recreation programs; preserving and improving health of natural areas, including but not limited to protection of habitat, water quality, erosion control, removal of invasive species; maintenance of natural areas and infrastructure in natural areas, and data system investments to better manage park assets, including natural assets; maintenance of parks and park facilities, including but not limited to basic park maintenance such as cleaning and opening restrooms, litter removal, landscape and grounds maintenance, safety checks on play equipment; safety and maintenance of trees on park properties, planning for and planting new trees, including data systems to manage trees; funds for operating community centers, pools, art and cultural centers; funds to deliver recreational programs, including, but not limited to, environmental education and access to nature for youth, summer camps, family-friendly movies and concerts, fitness and arts classes, teen- and senior-focused programs, swim lessons, and a summer playground program serving free lunches to children experiencing hunger; a study to inform future service goals for Interstate Firehouse Cultural Center; community partner grants and improved partnership and engagement with volunteer groups, including, but not limited to grants to other jurisdictions or other City programs to mitigate the impacts of property tax compression caused by this parks levy; levy administration costs, including, but not limited to community engagement, outreach, and marketing, costs including personnel, equipment, vehicles, space rentals, contracts, and funds for ongoing financial sustainability work; general fund and bureau overhead costs, a levy audit, annual reports, and costs associated with an oversight committee.

Section 3. Oversight and Accountability. The Director of Portland Parks & Recreation shall appoint an Oversight Committee of five residents of Portland who are users of the Portland parks system. The Oversight Committee shall prepare an annual report to the City Council reviewing the use of the levy revenue to ensure that the purposes of Section 2 are met. In addition, Portland Parks & Recreation shall commission an independent performance audit to evaluate whether the levy revenue has been used to successfully meet the intended purposes in Section 2.

Exhibit C

Caption: Restore recreation programs, parks, nature, water through five-year levy

Question: Shall Portland protect, restore recreation programs, parks, nature, clean water; 5-year operating levy, \$0.80 per \$1,000 assessed value, beginning 2021? This measure may cause property taxes to increase more than three percent.

Summary: Levy will prevent ongoing reductions to park services and recreation programs, preserve and restore park and natural area health, and center equity and affordable access for all.

Levy funds will:

- Enhance and preserve parks, rivers, wetlands, trees, and other important natural features in urban areas for the benefit of all Portlanders and wildlife;
- Provide park and recreation services to diverse populations including communities of color, seniors, teens, households experiencing poverty, immigrants and refugees, and people living with disabilities;
- Increase opportunities for communities of color and children experiencing poverty to connect with nature;
- Prevent cuts to recreation programs, closures of community centers and pools; and
- Enhance park maintenance to keep parks clean and safe, including litter and hazardous waste removal, restroom cleaning, and playground safety.

If levy fails, service improvements and restoration described above will not occur; taxes will not increase.

A five-member oversight committee will review levy expenditures, provide annual reports. Independent audit required.

Levy is \$0.80 per \$1,000 assessed home value. The proposed rate will raise approximately \$44,735,000, in 2021–2022, \$46,240,000 in 2022–2023, \$47,705,000 in 2023–2024, \$49,262,000 in 2024–2025, and \$51,135,000 in 2025–2026, for a total of \$239,078,000.

A median residential homeowner pays \$151 per year, or about \$13 per month.

EXHIBIT D
Explanatory Statement

This Measure would allow the City of Portland to levy \$0.80 per \$1,000 assessed value for five years for the purpose of operating the park system. The services and programs to be funded by this measure are planned to include, but are not limited to:

- Protect water quality and wildlife habitat, control erosion, remove invasive species in 8,000 acres of natural area.
- Deliver recreational programs, including, but not limited to, environmental education and access to nature for youth, summer camps, family-friendly movies and concerts, fitness and arts classes, teen- and senior-focused programs, life-saving swim lessons, and a summer playground program serving free lunches to children experiencing hunger.
- Remove financial barriers for low-income households by ending current dependence on recreation fee revenues, allowing an equity-focused delivery of community events and programs and reducing the likelihood of further cuts to recreation offerings.
- Clean litter and hazardous waste in parks and natural areas, maintain grounds and landscaping, provide safety checks on play equipment, improve preventative and traditional maintenance.
- Keep public restrooms open and cleaner.
- Plant new trees in communities where today canopy coverage is lower, to improve air and water quality, diminish the impacts of climate change, and provide wildlife habitat.
- Protect Portland's 1.2 million park trees by performing proactive maintenance, safety checks, hazard removal, and replacement of damaged trees in parks and natural areas.
- Modernize data systems to improve internal efficiency.
- Prioritize services for communities of color and households experiencing poverty, including equity-centered engagement and outreach, community partnership grants, and increased engagement with volunteer and partner groups.

A community oversight committee will be appointed to review levy expenditures and to report annually to City Council. The Measure also directs the Bureau to provide for a performance audit to ensure that services funded by the levy are consistent with voter intent.

The City estimates that the levy tax rate of \$0.80/\$1,000 assessed value would cost a median residential property approximately \$13 per month, and would raise approximately \$45 million in the first year, with an estimated average of \$48 million raised each year for the five-year period. If this Measure is not approved, taxes for Park services will not be assessed.

Submitted by:
City of Portland City Council
Mayor Ted Wheeler