



[Home](#) / [Council Clerk](#) / [Council Documents](#) / [Ordinance](#)

191960

Ordinance

Amend District Property Management License Code to update fees and district boundary to extend Downtown Portland Clean and Safe Enhanced Services District Property Management License Fee for an additional ten years and to align with amended City Charter approved by voters in Portland Measure 26-228 (replace Code Chapter 6.06)

Passed

The City of Portland ordains.

Section 1. The Council finds:

1. City Code Chapter 6.06 established a property management license fee and a number of districts, including the Downtown Portland Clean & Safe Enhanced Services District (the "District.") The license fees provide revenues to fund supplemental cleaning, public safety, and business development services within the District.
2. Clean & Safe Inc. was established as the nonprofit corporation and has served as the contractor under Chapter 6.06 that has provided place management services in Downtown Portland since 1994.
3. Sunset review of enhanced services districts (ESD) is required under Chapter 6.06 every 10 years. On September 29, 2021, through Resolution 37554, Council approved the continuation of the District license fee and renewed it for a further ten years starting October 1, 2021.
4. In 2020, the ESD Program was audited resulting in the City's Office of Management and Finance hiring a consultant called BDS Planning & Urban Design to review the audit findings, assess the Program, and make recommendations for improvements. The BDS Planning & Urban Design ESD Program assessment and recommendations were presented to Council on February 14, 2024, which unanimously accepted. Clean & Safe, Inc.. Clean & Safe Inc and the District are embracing these recommendations as part of their work leading to their proposal outlined in the Clean & Safe ESD Petition Packet, the "Clean & Safe District Proposal" attached as Exhibit C.
5. Clean & Safe Inc. proposed changes to the District boundary to add approximately 116 acres of property and to update the license fee rate structure. In addition, Clean & Safe Inc. requested early sunset review so

Introduced by

[Mayor Ted Wheeler](#)

Contact

Devin Reynolds

Enhanced Services District
Coordinator

✉ devin.reynolds@portlandoregon.gov

📞 [503-349-9996](tel:503-349-9996)

5033499996

Karl Lisle

Spectator Venues Program
Manager

✉ karl.lisle@portlandoregon.gov

📞 [503-823-5876](tel:503-823-5876)

Requested Agenda Type

Regular

Date and Time Information

Requested Council Date

November 13, 2024

Changes City Code

- that extension of the District for a ten-year period with the new District boundary and license fee rates could begin on October 1, 2025.
6. In support of the proposed changes, Clean & Safe Inc. conducted considerable outreach within the District and potential expansion areas. This outreach included: public information sessions, one-on-one meetings, group meetings, canvassing businesses with fliers, and notification via their website and social media channels. Feedback from this outreach helped shape the final proposal for boundary changes and rate structure reflected in the Clean & Safe ESD Petition Packet.
 7. The Clean & Safe's board of directors submitted a formal request for renewal on August 23, 2024.
 8. The new rate structure is consistent with recommendations made in a 2024 consultant report recommending changes to the District's antiquated rate structure that relied on difficult to obtain data. The inclusion of residential rate caps was also recommended by the consultants as a best practice to reflect the lower occupancy levels of residential properties compared to commercial properties and to help provide cost predictability to District residents.
 9. In late August, the City notified all registered ratepayers and prospective ratepayers within the proposed expansion areas and provided opportunity to submit official opposition to the Clean & Safe District proposal via a survey. This survey was opened from August 23, 2024, through September 30, 2024. In addition, the City held two public meetings on September 9, 2024 and September 19, 2024 for stakeholders to ask questions, receive information, and learn how to file official opposition via the aforementioned survey. The public meetings were attended collectively by approximately 15 people.
 10. The City received opposition from three district licensees representing less than 1% of the total assessments that would be collected in the proposed new District boundaries.
 11. Notice of the City Council hearing on this ordinance was mailed to current District, and expansion area licensees on October 8, 2024, as required by City Code Section 6.06.220.
 12. On November 8, 2022, voters approved Portland Measure 26-228 (the "Measure"). The Measure significantly amended Portland City Charter. The Measure generally established a Mayor-Council form of government with a City Administrator, created four new geographic districts with three councilors representing each district, and called for a new system of electing City officials using ranked-choice voting.
 13. City Code currently reflects the Commission form of government and must be updated to conform to the changes adopted by the voters in the Measure, including reflecting new responsibilities of the legislation-focused City Council, the executive Mayor, and the City Administrator.
 14. As a result, Chapter 6.06 will require amendments to conform to the Measure as well as other technical updates such as correctly reflecting new City organizational units labels, or grammar and punctuation corrections.
 15. Exhibit A reflects updates to Chapter 6.06 that incorporate changes that will be effective January 1, 2025. For the purposes of avoiding conflict with the larger work on updating all Code to reflect the Measure and

Charter Reform, a separate ordinance for Title 6 chapters will not include Chapter 6.06.

16. Exhibit B reflects changes to specific sections of Chapter 6.06 that pertain to District boundary and license fee rates that are to be effective on October 1, 2025.

NOW, THEREFORE, the Council directs:

- A. Repeal and replace City Code Chapter 6.06 as shown in Exhibit A. Exhibit A will be effective on January 1, 2025.
- B. The Downtown Portland Clean & Safe Enhanced Services District property management license fee will be renewed for ten years with the expanded district boundary and new license fee rates beginning on October 1, 2025.
- C. Repeal City Code Section 6.06.214, effective October 1, 2025.
- D. Repeal and replace City Code Sections 6.06.190, 6.06.200, 6.06.210, 6.06.211, 6.06.216, and 6.06.240, as shown in Exhibit B. Exhibit B will be effective on October 1, 2025.

Exhibits and Attachments

 [Exhibit A](#) 229.35 KB

 [Exhibit B](#) 127.31 KB

 [Exhibit C](#) 2.57 MB

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council
November 13, 2024

Auditor of the City of Portland
Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

The Clean & Safe District established in Portland City Code (PCC) Chapter 6.06 and specifically described in PCC 6.06.190 requires the City Council to conduct a public hearing(s) to determine whether the Clean & Safe District property management license fee should be terminated. This was last required in 2021 and every ten years thereafter.

The Clean & Safe District was formed in 1994 at the request of property managers/owners. The purpose of the license fee is to provide revenues to fund supplemental cleaning, graffiti removal, safety, community health

outreach, crow abatement, marketing and tourism promotion, business attraction and retention services within the district. A companion ordinance is before the City Council on October 31, 2024, to authorize a new five (5) year contract for Enhanced Services District (ESD) management services starting on October 1, 2025.

The request for Clean & Safe District boundary expansion came from property and business owners outside of the current ESD boundaries. Clean & Safe District is asking the City to approve the proposed expansion of its ESD by approximately 60 downtown blocks, or 116 acres. Along with this expansion, Clean & Safe District is proposing a rate structure revision that would simplify the rate structure and base it on publicly available metrics. As part of the proposed rate structure, Clean & Safe District is proposing the implementation of residential rate caps for all multi-family residential buildings.

Because these boundary changes would bring in new ratepayers and revise the rate structure for all new and existing ratepayers, Clean & Safe District is requesting the repealing and replacement of sections of PCC 6.06 shown in Exhibit B, and the renewal of the Clean & Safe District property management license fee for another 10-years shown as Exhibit C. Both requests would be effective beginning on October 1, 2025. Given the proposed new ESD boundaries and rate structure, essentially creating a new ESD, requesting an early ESD renewal is reasonable. The current 10-year lifecycle for the existing Clean & Safe District would sunset on September 30, 2031. Clean & Safe District is requesting an ESD renewal that would begin a new 10-year ESD lifecycle on October 1, 2025, and extend through September 30, 2035. The reason for the delayed renewal date includes necessary prep time for the City's Revenue Division, prep time for Clean & Safe, Inc. to ramp up program services, and adjustment time for ratepayers to prepare for rate changes. This timing also aligns with the start of Clean & Safe, Inc.'s next fiscal year. If approved, the current Contract No. 30007911 would expire on September 30, 2025, with a new five-year contract beginning on October 1, 2025.

In 2023, the City's Office of Management and Finance (OMF) hired a consultant called, BDS Planning and Urban Design (BDS) to review the 2020 audit of the ESD Program, assess the current state of the ESD Program, and then make recommendations for improving the ESD Program. Their assessment and list of recommendations were presented to City Council in February 2024 as [Report 157-2024](https://www.portland.gov/council/documents/report/accepted/157-2024) (<https://www.portland.gov/council/documents/report/accepted/157-2024>) and was accepted unanimously. The proposed rate changes are a direct response to these recommendations.

The additional proposed amendments to PCC 6.06 will address the necessary City Charter Reform. These amendments are necessary to reflect the structural changes the City of Portland is going through (e.g., the renaming of departments, bureaus, and offices). The additional PCC 6.06 revisions shown in Exhibit A, are being requested as part of the City's Charter Reform with most of them going into effect on January 1, 2025.

Financial and Budgetary Impacts

There are no direct implications on the City's budget as a result of these changes. The City's costs to administer collections of the current and proposed license fee is covered by the 2% fee withheld by the Revenue Division. An additional 1% is withheld to help pay for the cost of the ESD Coordinator. These provisions will continue in the new contract proposed by separate ordinance.

The amendments proposed in this ordinance shown in Exhibit B to PCC 6.06 change the Clean & Safe District boundaries and Property Management License Fee rate structure. The proposed changes to the rate structure include adjusting the base year for Assessed Value of Improvements (AVI) from the property tax year of 1993 to the property tax year of 2023 and updates this base property tax year every ten (10) years. Additionally, the rate structure revisions would also eliminate the elevator capacity from the calculations, and the implementation of residential rate caps, among other changes that both meet the recommendations outlined by BDS Planning & Urban Design, with regards to their Portland ESD Program Assessment & Recommendations accepted by City Council on February 14, 2024.

The rate structure revisions will add greater transparency, simplification, while providing Clean & Safe, Inc. with enough revenue to perform the ESD management services at a similar level already provided, but for a larger ESD.

Economic and Real Estate Development Impacts

The expected economic impacts experienced due to companion ordinance proposing a renewed five year Clean & Safe, Inc. contract, and the rate structure revision proposed with this ordinance includes changes in the license fees paid by existing ratepayers. The reason for these changes are due to the base property tax year being adjusted from 1993 to 2023, the removal of the elevator capacity component, the new residential rate caps, and the first increase on affordable housing units since 2001.

The proposed ESD boundary expansion would expand the Clean & Safe, Inc. ESD management services to a larger geographic area, bringing in new ratepayers. These new ratepayers will be assessed the Property Management License Fee for the first time. Those areas will begin receiving enhanced services provided by Downtown Clean & Safe, Inc. in October of 2025. These services include cleaning and security as well as other place management activities (see more information below) and will help maintain the attractiveness of the areas for private investment.

Outreach to property owners and businesses within the proposed ESD boundary was led by Clean & Safe, Inc. with support from the City. See engagement details in the next section.

Community Impacts and Community Involvement

In late August, the City mailed postcards to all registered ratepayers and prospective ratepayers within the proposed expansion areas. The postcards had a QR code and URL link directing recipients to the following City-maintained webpage, Portland.gov/clean-safe-expansion (<https://Portland.gov/clean-safe-expansion>), where recipients could find more information on the proposed changes to the district including the Clean & Safe ESD Petition Packet (containing letter from Clean & Safe District Board Chair requesting approval of proposal, proposed boundary map, proposed rate structure, and more) and an opportunity to submit official opposition to the Clean & Safe District proposal via a survey. This survey was opened from August 23, 2024, through September 30, 2024. In addition, the City held two public meetings on September 9, 2024, (5pm to 6:30pm) and September 19, 2024 (5pm to 6:30pm), for stakeholders to ask questions, receive information, and learn how to file official opposition via the aforementioned survey. These public meetings were held in a hybrid format with in-person and online attendance options. Staff from the City and Clean and Safe District presented a slide deck and were available to answer questions. The public meetings were attended collectively by approximately 15 people.

On September 30th at 11:59pm, the survey to collect official opposition to the Clean & Safe District proposal closed, resulting in the collection of five entries opposing the Clean & Safe District proposal. Two of the entries represented the same property and one was not in the final proposed district boundary. Given this data, the resulting opposition netted three opposers representing less than 1% of the total assessments that would be collected in the proposed new district boundaries.

Notice of the City Council hearing on this ordinance was mailed to current district, and expansion area licensees on October 8, 2024, as required by City Code Section 6.06.220. The notice had a QR code and URL link directing recipients to the following City-maintained webpage, Portland.gov/clean-safe-expansion (<https://Portland.gov/clean-safe-expansion>), where recipients could find more information on the proposed changes to the district including the Clean & Safe ESD Petition Packet (containing letter from Clean & Safe District Board Chair requesting approval of proposal, proposed boundary map, proposed rate structure, and more) and learn how to participate in the Council hearing.

DPCS provides cleaning, graffiti removal, safety, community health outreach, crow abatement, marketing and tourism promotion, business attraction and retention services for their district. If DPCS's proposal is passed, these services will expand from being provided in approximately 213 Downtown city blocks to more than 270.

To provide a snapshot of the community benefit that DPCS provides, the following stats reflect monthly averages for DPCS's most public-facing programs from January 2024 through August 2024.

Cleaning Program:

- Collection of over 5,800 bags of trash

- Collection of over 2,033 needles from the right-of-way
- Collection of over 1,300 needles from four drop boxes
- Cleaning of over 4,100 doorways
- Pivot of cleaning services to areas in need of special attention over 6,100 times
- Removed graffiti over 2,500 times
- Collection of over 4,700 items associated with drug use

Public Safety Program:

- Assisted business over 1,900 times
- Assisted citizens over 400 times
- Patrolled the district over 2,400 times
- Fielded extra patrol requests over 600 times
- Performed over 130 welfare checks
- Responded to over 30 disorderly conduct calls
- Responded to calls regarding aggressive individuals over 20 times

Additionally, DPCS recently wrapped up a few of its annual reports, reflecting ratepayer and stakeholder sentiment, and while there are a few areas of concern, there are many reasons to be optimistic about Downtown's trajectory and the positive impacts Downtown Clean and Safe is having on its district:

- Downtown Business Survey, reflecting experiences of business owners and managers operating in their district between October 1, 2022, and September 30, 2023, and found that:
 - 72% of respondents indicated they were somewhat or very much satisfied with DPCS services;
 - 58% of respondents indicated they were satisfied with the Janitorial Program;
 - 86% of respondents indicated they were satisfied with the Public Safety Program;
 - And 91% of respondents indicated they were satisfied with the Holiday Lighting Program.

As part of their business attraction efforts, DPCS activated 9 vacant locations with pop-up businesses, focusing on placing minority and women owned small businesses and retailers in those spaces. This program has seen success in activating vacant retail space and graduating pop-up retailers into permanent, long-term leases. Furthermore, for the first time ever, Downtown Clean and Safe offered grants to new retail businesses signing leases in the district. Grants totaling \$75,000 went to four businesses and assisted them with tenant improvements and marketing efforts.

There is a clear and direct correlation between the work that DPCS is doing and the positive impacts it is having on Portland's downtown core. Through their Janitorial, Public Safety, Retail Programs, etc., DPCS continues to offer solutions that benefit the business and residential communities here in Portland, while attracting visitors to spend time and money in the district year-round. DPCS provides many valuable services to their ratepayers – services that would otherwise not be provided for the district.

In 2020, the ESD Program was audited resulting in the City hiring a consultant (BDS Planning & Urban Design) to review the audit findings, assess the Program, and make recommendations for improvements. The [BDS Planning & Urban Design ESD Program Assessment and Recommendations](https://www.portland.gov/omf/documents/2024-portland-enhanced-services-district-program-assessment-recommendations/download) (<https://www.portland.gov/omf/documents/2024-portland-enhanced-services-district-program-assessment-recommendations/download>) report was presented to City Council on February 14, 2024, and unanimously accepted. Clean & Safe, Inc. and the Clean & Safe District are embracing these recommendations as part of their work leading to their proposal. Upon City Council approval of this ordinance, multiple consultant recommendations will be implemented.

100% Renewable Goal

N/A

Financial and Budget Analysis

Items 951 and 952 both update Title 6 to reflect impending charter changes and increase the size of the Clean & Safe district to add 60 Downtown blocks (116 acres) and sunset the existing contract (currently slated to expire in Sept 2031) and renews a new 10-year contract beginning in 2025 with new boundaries and an updated rate structure. The program is fee-funded and self-supporting and there are no immediate expected impacts to the City's General Fund.

Document History

Item 951 Time Certain in [October 30-31, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/10/30) (<https://www.portland.gov/council/agenda/2024/10/30>)

City Council

Passed to second reading

Passed to second reading November 13, 2024 at 9:30 a.m.

Item 979 Regular Agenda in [November 13, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/11/13) (<https://www.portland.gov/council/agenda/2024/11/13>)

City Council

Passed

Aye (4): Carmen Rubio, Dan Ryan, Rene Gonzalez, Ted Wheeler

Absent (1): Mingus Mapps