

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Terri Williams		2. Telephone No. 5-2469	3. Bureau/Office/Dept. Revenue
4a. To be filed (hearing date): Filed: July, 14, 2011 Council date: July 20, 2011	4b. Calendar (Check One) Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: July 6, 2011
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

* Authorize agreement for Downtown Business District Management Services with Clean and Safe, Inc. (Ordinance)

2) Purpose of the Proposed Legislation:

This ordinance authorizes a contract with Clean & Safe, Inc. to provide services for the Downtown Business District, including additional cleaning and security services within the District boundaries. These services are paid for by the Property Managers of those properties within the District through the Business Property Management License Fee assessed under authority of PCC 6.06 and collected by the Revenue Bureau. This contract spells out the City's current service levels in the downtown area, the license fee collection and remittance obligations and other obligations; in turn, the contract spells out service level expectations for Clean & Safe, as well as budget and reporting obligations back to the City each year.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input checked="" type="checkbox"/> Central City | | | |
| <input type="checkbox"/> Internal City Government Services | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

Under PCC Chapter 6.06 authority, the Revenue Bureau will bill approximately \$4.7 million during FY 11-12 in property management license fees to those property managers within the Downtown Business District. The Revenue Bureau will retain 1.25% of the amount billed, and will remit the balance to Clean & Safe, Inc. under the terms of this contract. The Revenue Bureau's fee has been increased in this contract to compensate for inflation and database management activities being transferred to the Revenue Bureau. The annual administrative fee is approximately \$58,750. There is a one-time administrative fee charge in FY 11-12 for database

development of \$20,000 in addition to the annual administrative fee.

5) Expense: What are the costs to the City related to this legislation? What is the source of funding for the expense? *(Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the **level of confidence**.)*

The Revenue Bureau will create an Access database to bill license fees and record payments. Our Business Solutions Division will perform the database work, so no additional costs will be incurred other than what is reflected in the Bureau's current budget.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

No change in positions.

- **Will positions be created or eliminated in *future years* as a result of this legislation?**
NO.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☒ YES: Please proceed to Question #9.

☐ NO: Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

a) **What impacts are anticipated in the community from this proposed Council item?** The funds raised by the Downtown Business District property management license fee funds Clean & Safe services (increased cleaning, patrol services and other services) within the District.

b) **Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?** Approximately 500 notices were mailed to the Property Managers within the district of the public hearing before City Council on April 20, 2011. This hearing was a sunset review of the District, as required by City Code every ten (10) years. Testimony was heard by City Council, and the resolution (No. 36857) to renew the District for another ten (10) years was approved by Council. Additionally, prior to the April 20th City Council hearing, significant outreach was conducted by the Clean & Safe, Inc. Board of Directors and the Portland Business Alliance. The report on those outreach efforts are an exhibit to Resolution No. 36857.

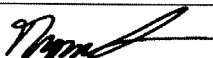
c) **How did public involvement shape the outcome of this Council item?** Two questions were raised during outreach meetings and at City Council regarding possible District expansion and the current fee calculation as applied to Condo properties. These two items are being reviewed as directed by Council. Information about the review process and recommendations is available at www.portlandonline/omf/dbid

d) **Who designed and implemented the public involvement related to this Council item?** Clean and Safe and the Revenue Bureau for Resolution 36857, passed by Council on April 20, 2011.

e) **Primary contact for more information on this public involvement process (name, title, phone, email):** Terri Williams, License & Tax Division Manager, Revenue Bureau, 503-865-2469, Terri.Williams@portlandoregon.gov

10) **Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.** No future public involvement regarding this Contract award. There will be additional public involvement on the Downtown Business District as discussed in 9c above.

Thomas W. Lannom



BUREAU DIRECTOR (Typed name and signature)



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE
Sam Adams, Mayor
Kenneth L Rust, Chief Administrative Officer

184758

Revenue Bureau
Thomas W. Lannom, Director
111 SW Columbia St., Suite 600
Portland, OR 97201
(503) 823-6881

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison

DATE: June 29, 2011

TO: Mayor Sam Adams

FROM: Thomas W. Lannom, Revenue Bureau Director

A handwritten signature in black ink, appearing to read "Tom Lannom".

RE: ORDINANCE TITLE * Authorize agreement for Downtown Business District Management Services with Clean and Safe, Inc. (Ordinance)

1. **INTENDED THURSDAY FILING DATE:** July 14, 2011
2. **REQUESTED COUNCIL AGENDA DATE:** July 20, 2011
3. **CONTACT NAME & NUMBER:** Terri Williams x52469
4. **PLACE ON:** X **CONSENT** **REGULAR**
5. **BUDGET IMPACT STATEMENT ATTACHED:** x **Y** **N** **N/A**
6. **(3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY**
ATTACHED: X **Yes** **No** **N/A**

7. BACKGROUND/ANALYSIS

The City Council passed Resolution No. 36857 on April 20, 2011 to extend the current District and the License Fee for a ten (10) year period. **The resolution also directed the Revenue Bureau and Clean & Safe, Inc., to determine if the District should be expanded and to consider changes to the fee formula. Those efforts are under way and will come forward under separate Council action.**

This ordinance authorizes a contract with Clean & Safe, Inc. to provide services for the Downtown Business District, including additional cleaning and security services within the District boundaries. These services are paid for by the Property Managers of those properties within the District through the Business Property Management License Fee assessed under authority of PCC 6.06 and collected by the Revenue Bureau. This contract spells out the City's current service levels in the downtown area, the license fee collection and remittance obligations and other obligations; in turn, the contract spells out service level expectations for Clean & Safe, as well as budget and reporting obligations back to the City each year.

8. FINANCIAL IMPACT

Under PCC Chapter 6.06 authority, the Revenue Bureau will bill approximately \$4.7 million during FY 11-12 in property management license fees to those property managers within the Downtown Business District. The Revenue Bureau will retain 1.25% of the amount billed, and will remit the balance to Clean & Safe, Inc. under the terms of this contract. The Revenue Bureau's fee has been increased in this contract to compensate for inflation and database management activities being transferred to the Revenue Bureau. The annual administrative fee is approximately \$58,750. There is a one-time administrative fee charge in FY 11-12 for database development of \$20,000 in addition to the annual administrative fee.

9. RECOMMENDATION/ACTION REQUESTED

Bills for the 2011-2012 license year are required by code to be send by August 1st each year. Without this contract, the transfer of responsibility for the database and billing cannot transfer to the Revenue Bureau and we would not be able to meet the August 1st code billing deadline, or charge the increased fees for the work we have done to get these items ready. An emergency clause is on this ordinance to ensure that we can accurately calculate and mail bills by the August 1st date required by code and assume responsibility for the database timely.

The Bureau respectfully requests that the emergency ordinance be passed to authorize the contract with Clean & Safe, Inc.