



PORTLAND, OREGON

Office of the Mayor

Mayor Sam Adams

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REPORT TO COUNCIL

December 2, 2010

To: Mayor Sam Adams

From: Martha Pellegrino, Director of the Office of Government Relations

Subject: Accept the Report on the 2011 State Legislative Agenda

The City of Portland's 2011 State Legislative Agenda, drafted by the Office of Government Relations, is built upon input from council offices, City bureaus and the public. The legislative agenda was developed with consideration for the difficult economic times facing the state and the ramifications the current economic crisis has had on state and local governments. Given the budgetary challenges facing Oregon, the City is pursuing legislative solutions where state investment will help the economic recovery.

The 2011 State Legislative Agenda focuses on maintenance and expansion of local revenue raising authority and policies which help to drive economic growth and maintain critical government services. Additionally, the City is supporting initiatives that will help government work more efficiently and policy issues that will promote public safety, neighborhood livability, and help those members of our community in greatest need.

TO THE COUNCIL

The Office of the Mayor concurs with the recommendation of the Office of Government Relations and

RECOMMENDS:

That the Council accept the report.

Respectfully submitted,

Mayor Sam Adams City of Portland

CITY OF PORTLAND LEGISLATIVE PACKAGE



2011 SESSION

CITY OF PORTLAND COUNCIL:

MAYOR SAM ADAMS
COMMISSIONER AMANDA FRITZ
COMMISSIONER NICK FISH
COMMISSIONER DAN SALTZMAN
COMMISSIONER RANDY LEONARD
CITY AUDITOR LAVONNE GRIFFIN-VALADE

CITY OF PORTLAND

LEGISLATIVE PACKAGE: POLICY AND ISSUE POSITIONS

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PRIORITIES

ECONOMIC DEVELOPMENT

FILM AND TELEVISION PRODUCTION INCENTIVES

Objective:

Support the extension of the Oregon Production Investment Fund (OPIF) and the Greenlight Labor Rebate program, both of which are set to sunset January 1, 2012, so that Oregon is competitive in attracting film and video production to the state.

Issue:

In 2003, the Legislature created the Oregon Production Investment Fund (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. The total program cap on the amount of the OPIF is currently \$7.5 million annually. 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.

Additionally, a rebate on 6.2 percent of payroll for which Oregon withholding applies is granted through the Greenlight Oregon Labor Rebate. The rebate applies to a single project or series spending more than \$1 million annually, or 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.

Both of these programs have been instrumental in the City of Portland's efforts to attract film and video production. Recent projects include Gus Van Sant's *Restless, Extraordinary Measures* staring Harrison Ford, the TNT series *Leverage* – now in its fourth season, and a new sketch comedy series called *Portlandia*. All of these projects help to brand our city nationally.

In 2009 alone, the City of Portland saw \$52 million in direct spending through the OPIF recruitment, providing hundreds of jobs and a total economic impact of roughly \$102 million¹. In part because of the OPIF, Portland also enjoys a robust animation, digital media and commercial production industry.

Both the OPIF and Greenlight Oregon Labor programs are set to sunset on January 1, 2012. The City of Portland supports extending the sunset for and/or expanding these programs as they are significant economic development and job creation tools in an extremely competitive marketplace.

¹ Governor's Office of Film and Video

EDUCATION

SUPPORT FOR PRE-KINDERGARTEN THROUGH POST-SECONDARY EDUCATION

Objective:

Actively advocate for adequate and stable operations and facilities funding for pre-kindergarten through post-secondary education, including funding for full-day kindergarten and summer jobs programs for students. The City supports legislation that empowers local work force investment boards and job training.

Issue:

The City of Portland has long-recognized quality educational institutions and workforce development programs as a driver and sustainer of a robust diversified economy and contributor to a healthy community. Quality public education embracing a "cradle to career" education model 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. An educated workforce is vital in attracting and maintaining businesses to the City of Portland – businesses that, in turn, require a comprehensive quality public education system to be available to its employees and their families.

The City of Portland recognizes the economic benefits provided to the City, the region, and the State by the educational institutions as: major employers, purchasers of local goods and services, attractors of tourism dollars, "in-kind contributors" of volunteer hours and intellectual expertise, providers of essential training programs designed to meet present and future work force needs, and community investors in their roles as property owners and real estate developers. Projects such as the Life Sciences Center and the Sustainability Center provide the multiple benefits that the City seeks.

Investing now in the public education system that is focused on reducing educational and social disparities, will reduce social service resource demands in the future (e.g., use of criminal justice and welfare systems and the increasing costs of public safety). Portland benefits significantly from the cultural, creative, and intellectual benefits associated with quality post-secondary education institutions. They contribute to Portland's attractiveness for residents, visitors, businesses, and potential investors.

With its educational partners, the City will advocate for levels of education and workforce development funding, within the state and local government's financial capacity, to support school districts and higher education institutions in providing excellent academic programs in quality educational facilities to ensure academic achievement for all students and provide a much-needed foundation for Oregon's future economic growth.

ENERGY

BUSINESS ENERGY TAX CREDIT

Objective:

Support extension of the Business Energy Tax Credit (BETC) to provide incentives for public and private sector investments in energy and fuel conservation projects, small-scale renewable energy development, and renewable energy technology manufacturing facilities.

Issue:

The City of Portland uses the BETC as a means to facilitate its renewable energy and conservation projects, and as a tool for economic development. The BETC has helped the City meet its greenhouse gas emission reduction goals while creating jobs and building a local green economy.

The BETC has played a critical role in financing many of the City of Portland's conservation and renewable energy projects. Within the scope of conservation projects are energy efficiency retrofits and transportation programs, which have helped Portland meet its goals set forth in the City's Climate Action Plan. Since 1990, energy efficiency projects funded in part with the BETC have resulted in a savings of \$33 million in energy costs. For Portland taxpayers, this alone translates into a savings of \$3 million per year. In addition to conservation projects, the City has used the BETC to place solar panels on community centers and other public buildings and install a co-generation facility at a wastewater treatment plant that uses biogas to produce renewable energy, all of which have resulted in significant cost-savings to Portland taxpayers.

BETC is also a strategic part of Portland's roadmap to economic recovery and stability, instrumental to building a robust local green economy, it has helped put the City on the global map as a center of sustainable innovation. The tax credit helps existing businesses become more sustainable and competitive. Using the BETC, businesses can develop energy saving and generating measures which frees up operating capital to create more jobs.

Currently, the manufacturing and renewable energy components of the BETC are set to sunset on January 1, 2014 and July 1, 2012, respectively. The City strongly supports an extension of the sunset for these components of the BETC program. While the City recognizes the intense pressures that state revenue shortfalls have placed upon the legislature with regards to the BETC program, the City will advocate for continued funding of the program at a level at which projects can move forward and jobs can be created. The City will specifically advocate for components of the BETC related to conservation/energy efficiency, manufacturing (especially as it relates to electric vehicles), and small-scale renewable energy projects.

GENERAL GOVERNMENT

PREEMPTIONS OF LOCAL GOVERNMENT AUTHORITY

Objective:

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

Issue:

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, 20111 will undoubtedly bring attempts to prevent city authority. While not an exhaustive list, some potential measures that could arise would:

- 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;
- 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;
- preempt the City's ability to encourage green building practices through the adoption of local building code amendments; and
- requiring mitigation/replacement for industrial lands

Conversely, the City supports efforts to remove preemptions, particularly those that would grant increased authority to levy taxes or fees, or greater autonomy in the day-to-day operations. Examples of some preemptions the City would like to see lifted include:

- Local authority to levy taxes on alcohol and tobacco products
- Establish a local vehicle registration fee
- Impose a real estate transfer tax

HOUSING

AFFORDABLE HOUSING

Objective:

Support the Oregon Housing Alliance's legislative agenda that seeks to maintain the funding dedicated to putting affordable housing -- both rental and homeownership opportunities – within reach for more Oregonians and to fund programs designed to end homelessness.

Issue:

The economic downturn has put pressure on Portland residents' ability to hold on to all housing types. Due to high demand and limited supply, fair market rents have remained high. Even though the great wave of sub-prime mortgages has crested, continuing high levels of unemployment have put many mortgages in arrears contributing to the further decline of a former robust housing market and instability for effected households. Despite, decreased home prices, they still remain out of reach for most households. The tight credit market has forced other would-be homebuyers out of the market, increasing demand for rental housing.

The ability to help find some relief from current market conditions is limited. The funds Portland has relied upon to augment short-term rent assistance will be exhausted by the end of FY 2010-2011. The City of Portland estimates that there are 20,000 households unable to find affordable rental housing within City limits. Of particular concern is the need to preserve privately owned rent-restricted housing that has been under contract with the federal government. As these contracts expire, the affordability may be lost and the tenants displaced. Both local and statewide counts of people experiencing homelessness continue to increase with the greatest increase being seen in the number of homeless families with children.

The Oregon Housing Alliance is a statewide consortium of advocates, local governments (including the City of Portland), housing authorities, interest groups, and service providers who are dedicated to a long-term solution to increase the resources available to meet our state's increasing housing needs.

The Alliance agenda the City supports includes sustaining the dedicated funding and other sources of support for affordable housing including: the document recording fee, dedication of lottery proceeds, dedication of the utility public purpose funds, and allocation of General Fund dollars. The goal is to fund housing programs at the highest level possible, within the context of the State's revenue forecast, and advocate for a modest increase in the Oregon Affordable Housing Tax Credit cap and in the funding for the Emergency Housing Account.

PUBLIC SAFETY

MENTAL HEALTH AND LAW ENFORCEMENT

Objective:

The City will engage in the development and support legislation, policies and budget proposals that decrease the number of individuals with mental illness who are involved with the police and criminal justice system and mitigate the potentially adverse outcomes of an encounter between an individual with mental illness and the police. Such proposals may include the design and funding of the community mental health system.

Issue:

The deinstitutionalization of individuals with mental illness has led to the criminalization of those with mental illness due to inadequate funding and support for our community mental health system. In the City of Portland, as elsewhere, police have played an increasingly important role in the management of persons who are experiencing psychiatric crises. Historically, mental health systems and law enforcement agencies have not worked closely together, and even though the City of Portland has trained its officers in crisis intervention skills, police encounters with people in a mental health crisis has increased and occasionally have had tragic outcomes.

The City is collaborating with organizations such as Oregon Partners in Crisis, and other key groups, to examine all parts of the criminal justice and mental health system with the goal of significantly reducing the need for police officers to become involved with the care, management and, at times, incarceration of those individuals with mental illnesses that deserve to have control over their lives and participate fully in their communities.

RURAL PARTNERSHIP

SUPPORT FOR RURAL COMMUNITIES

Objective:

Support and advocate for issues of importance to our rural partners that will enhance the health, safety, 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 of common concern by supporting legislative efforts that address uniquely rural issues or issues that disproportionately affect rural communities.

Public Safety

 Six Oregon counties will experience a dramatic reduction to their general fund when federal forest payments end in 2012, which will further decrease public safety services to residents. Proposed legislation will further refine procedures for a county's ability to provide "minimally adequate public safety."

Access to Health Care

Residents of rural Oregon experience challenges to accessing medical care.
 A proposed primary healthcare package contains elements that would recruit and retain primary care licensed medical practitioners serving rural communities.

Affordable Housing

- Expanding much-needed access to affordable housing in rural Oregon is being proposed in legislation that will create exemptions to income limits in counties that have a substantial disparity between average household income and the cost of affordable housing.
- Ensuring that farm workers obtain affordable rental housing is being proposed in legislation that would revise existing farm worker housing tax credit statutes.

Community Development

 The Oregon Solutions model is successfully used to leverage resources to address regional and community challenges. Budgetary approval by the legislature would create Regional Solution Centers in rural communities who would use the Oregon Solutions model to solve community issues.

TAXATION AND FINANCE

STATE SHARED REVENUES

Objective:

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

Issue:

Under current statutes, cities receive a portion of state revenues from liquor and tobacco taxes and 9-1-1 taxes. Cities' share of revenue from liquor and tobacco taxes funds essential public safety services, and revenue from the emergency communications telephone tax are used fund 9-1-1 call centers.

Liquor & Tobacco Taxes

The City of Portland's alcohol-related public safety costs are significantly higher than its share of revenue received from the state. A 2006 report by the Oregon Liquor Control Commission (OLCC) found that 58 percent of DUII arrests and 72 percent of liquor law arrests in Oregon are made by city police departments. Furthermore, the study found that while Portland receives 20 percent of state liquor sales revenue and 14 percent of revenue from beer and wine taxes, the City's alcohol-related service costs are 50 percent higher than the total amount of revenue received from the state through the shared revenue formula.

In Portland, public safety costs account for 139 percent of the City's General Fund budget derived from property taxes. The shared revenues received from the state are critical to funding nearly one-third of the City's public safety budget and any cut would significantly impact the City's ability to adequately fund public safety and other important services.

Emergency Communications

The 9-1-1 tax, a \$ 0.75 per month charge imposed on each circuit (wire line and wireless), was first authorized in 1981 provides critical funding to 9-1-1 call centers around the state. A portion of these funds (58 percent) are distributed by formula on an annual basis; from this formula, BOEC receives \$12 million a year. A second account, the Enhanced 9-1-1 Sub-Account which receives 37.5 percent of funds, pays for operational expenses (phone bills, technical support) as well as much needed equipment replacement and upgrades.

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. The City of Portland supports the maintenance of this important 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

HIGH CAPACITY TRANSIT

Objective:

Support funding for high capacity transit projects from Portland to Lake Oswego

and along the Southwest Corridor.

Issue:

Streetcar and light rail projects in Portland and the region have improved transit service, created jobs, spurred hundreds of millions of dollars in investment, reduced pollution, supported our land use goals and leveraged federal funds. Employment growth is forecasted at close to 160,000 jobs in the Central Business District, and 40,000 in the OHSU/South Waterfront area, by 2035. The annual Cost of Congestion to the region is estimated to be \$844 million by 2025. The City of Portland is supporting funding for two new high capacity transit projects to respond to the growth in employment and growing congestion.

Portland to Lake Oswego Streetcar

Building on the regional investments in the Willamette shoreline the Portland to Lake Oswego project would extend the streetcar line that currently ends at SW Lowell in South Waterfront to Lake Oswego. The line would reduce auto traffic, congestion and pollution on Highway 43 which is at capacity and can not be expanded due to difficult topography. This project will encourage development along the Macadam corridor, supporting the transformation of 1.8 million square feet of vacant land into approximately 2.8 million square feet of new development in Portland, as well as new housing and commercial space in Lake Oswego.

Southwest Corridor

With an estimated 100,000 new residents within a half mile of Barbur Boulevard between downtown Portland and Sherwood, the Southwest corridor region is poised for tremendous growth. In the City of Portland several major educational institutions and employment centers such as Portland State University, Oregon Health and Sciences University and Portland Community College are located along the corridor.

Metro estimates that high capacity service along the Southwest Corridor would attract 38,000 rides per day by 2035. High capacity transit in the Southwest corridor will act as a catalyst for investment in the region. In addition, it will connect to existing bus lines and the Westside Express Services (WES) Commuter Rail, and provide better access to Portland's Innovation Quadrant.

These projects are critical to the economic and environmental goals of the region and the City will work with our partners in identifying opportunities to obtain funding to advance them.

INITIATIVES

ECONOMIC DEVELOPMENT

BROWNFIELDS REDEVELOPMENT

Objective:

Introduce legislative to incentivize the cleanup and economic reuse of brownfield

properties.

Issue:

The redevelopment of brownfield sites (properties with the presence or potential presence of a hazardous substance, pollutant, or contaminant) is challenged by technical and financial obstacles, which prevents cleanup of pollution and reuse of existing industrial lands. The lack of development also increases pressure on clean or "greenfield" sites for development. The Harbor Redevelopment Initiative (Harbor ReDI) Steering Committee—including local, regional, and state business and government interests—has examined barriers and opportunities to brownfield redevelopment, and possible solutions that focus on the creation of new jobs on brownfields and incenting the cleanup of contaminated sites in conjunction with Oregon Department of Environmental Quality and Oregon Business Development Department programs. Legislative solutions could address brownfield redevelopment obstacles through improved cleanup liability protections, creation of tax credits for voluntary cleanups and related job creation,

and/or analysis of cleanup innovation and job creation measures.

EMERGENCY COMMUNICATION

NON-DISCLOSURE OF 9-1-1 AUDIO TAPES

Objective: Introduce legislation prohibiting the release of 9-1-1 audiotapes without the

consent of the caller. Written transcripts would be available, upon request.

Issue: The broadcast of 9-1-1 audiotapes by news sources is often traumatic for victims

and their families. While most callers assume that 9-1-1 calls are confidential, the district attorney and presiding judge can compel the release of these tapes to the media, which has resulted in the widespread consideration of these tapes as public records. This bill would require the caller, or the caller's parent spouse or guardian, to consent to the disclosure of the audio recordings unless the public interest requires disclosure. A transcript of the call could be released without consent. Furthermore, a district attorney, police officer, attorney for a defendant in a criminal proceeding, emergency service agency or labor organization acting

on behalf of an employee in a disciplinary proceeding could have obtained a copy of the audio recording without the consent of a caller.

HOUSING

AFFORDABLE HOUSING

Objective:

Introduce legislation to increase the supply of affordable housing and support livable communities by renewing the tax abatement for multi-unit housing in urban centers and transit-oriented districts.

Issue:

Through the New Multi Family Housing (NMFH), authorized in 1975 and the and Transit Oriented Development (TOD) program authorized in 1996, the City committed to promoting high-density residential and mixed-use development in the Central City Plan District, Urban Renewal Areas, and in transit oriented areas. Since the program's inception, thousands of units of affordable and mixed-use development have been developed along transit routes. This legislation will extend the tax incentive that is set to expire in 2011 for ten years. This legislation has the support of the Oregon Housing Alliance.

PUBLIC SAFETY

DOMESTIC VIOLENCE CONFIDENTIALITY

Objective:

Seek a narrow exemption from state public records law for records pertaining to victims of domestic violence that are receiving support services from a domestic violence center that is a public agency.

Issue:

In September, 2010, the City of Portland working with Multnomah County and non-profit partners, opened the new Gateway Center for Domestic Violence Services. The Gateway Center is a new service model of providing assistance to domestic violence victims and their families by combining public entities with private non-profits in one location in order to connect victims to a variety of services.

The Center would like to create and maintain records about individuals who are seeking services. However, because the Center is a public body, any records it creates are subject to Oregon Public Record Laws. The public disclosure of information about individuals who visit the Center would cause significant harm. It would destroy public confidence in the Center's ability to protect an individual's privacy. Furthermore it would be extremely dangerous for a victim of domestic violence who is beginning a process of planning to leave his/her abuser, to have his/her abuser confirm that the victim is indeed a client of the Center.

In order to better serve victims of domestic violence and provide them with the utmost safety and privacy, the City of Portland is seeking to exempt from Oregon Public Records Laws, records kept or submitted to a domestic violence service or resource center.

PUBLIC SAFETY

USE OF FORFEITED DRUG ASSETS TO PAY FOR DRUG TREATMENT

Objective:

Introduce Legislation to allow the use of civil forfeiture money from drug cases to be used for drug treatment programs.

Issue:

Currently many crimes are committed by individuals addicted to drugs or alcohol. The City has shown with its Service Coordination Team that the cycle of drugs, alcohol and crime can be broken with an approach that integrates law enforcement, drug treatment, housing and social services. This targeted and coordinated approach has resulted in reduced recidivism and long-term financial savings for the entire criminal justice system. Important components of this approach are drug and alcohol addiction treatment and the programs that support them.

State law currently limits the uses to which a local government may put its share of assets it has received from the civil forfeiture in drug cases to four uses: drug enforcement, drug awareness education programs, and the operations of joint narcotic operations and as currency for undercover operations. The City would like to add an additional category of drug treatment programs so that we can continue to reduce crime by addressing its causes.

TRANSPORTATION

SPEED LIMITS

Objective:

Introduce legislation granting cities the authority to reduce speed limits by 5 mph to 20 mph on low-volume/low-speed neighborhood streets.

Issue:

Portland has identified a network of residential streets that support active transportation options citing recent survey results showing that over 60% of Portlanders reported that they would walk and bicycle more if they felt safer on residential streets. Almost all of these routes were also identified, through the Safe Routes to School Program, as family-friendly routes for walking and bicycling to school.

The City is currently in the process of increasing the percentage of Portlanders within a half-mile of a Neighborhood Greenway district from less than 25% to over 80%.

In designing and developing neighborhood greenway projects, the public has consistently advocated for slower speed limits. There is significant data showing that the likelihood of surviving a crash increases exponentially as the speed reduces and research shows that many residential streets would be safer with a 20 mph speed limit. Countries with the best traffic safety performance and highest walking and biking rates designate speed limits on their respective residential streets in a range of 18-20 mph.

Granting local control to allow for changing the speed limit for these Neighborhood Greenway streets will enable Portland to develop transportation projects consistent with traffic safety best practices, will reduce conflicts between transportation modes and increase public use of these newly designated streets. Engineering improvements supporting the 20 mph speed limit will reduce the need for enforcement.

TRANSPORTATION

USE OF TRAILS

Objective:

Introduce legislation to encourage the development and use of trails by extending the same immunity protections that property owners permitting the recreational use of trails on their land enjoy, to property owners who permit the use of trails on their land as a means of travel.

Issue:

Different liability standards are applied to trails depending upon whether a trail is located within park property or is considered a recreational easement rather than being in the public right-of-way or defined as a pedestrian easement. This causes confusion and limits the use of these public trails.

Trails within park properties or easements fall under the recreational immunity clause in "Public Use of Lands" statute, ORS 105.672 to 105.969 (attached). This includes trails maintained by third-party volunteers. A similar trail, with similar characteristics that crosses public right-of-way instead of a park property, may not fall within the immunity clause.

Currently, trails within unimproved public rights-of-way or pedestrian easements are the responsibility of the abutting property owner or a third party who is required to obtain a permit, per City Code 17.42.030. Both trails may actually be built in the same manner for the same purposes, including recreational and transportation use, but are treated differently under the state statute.

Concern over liability results in confusion, frustration and lack of maintenance or improvements to these public trials. For example, where stairs have been installed by volunteers to access the public trails, concerned property owners have begun to remove them and try to block trails with vegetation growth. These efforts to discourage use of the trails and limit exposure to liability inadvertently results in less pedestrian and recreational activity, which is counter to the reason for developing these public trails and to the region's adopted public policy promoting active transportation modes.

POLICY & ISSUE POSITIONS

ECONOMIC DEVELOPMENT

ENTERPRISE ZONE PROGRAM

Objective:

Support legislation to extend the Enterprise Zone program, an important economic development tool which has helped to attract and retain family-wage jobs in Portland.

Issue:

Since 2000, thirty-eight (38) companies have invested an estimated \$460 million while creating and retaining over 5,000 family wage jobs in Portland's Enterprise Zones. In the zones in North and Northeast Portland companies are able to qualify for short term tax abatements (5 years and with additional investment up to 7) in exchange for creating specific numbers of family wage jobs. Companies' compliance is evaluated annually. Statutorily the state authorization for the program is set to expire on June 30, 2013.

For fiscal year 2008-09, 21 companies filed exemption claims that filed resulted in an estimated:

• Total Private Asset Investment: \$136,884,174

• Total Average Full-time, Permanent Employees: 2,765

The Enterprise Zone program provides the City's economically-distressed residents with living wage jobs, companies with strong incentives to create and retain employment, and the city with a more robust industrial sector as well as a stronger tax base after the abatements expire.

This program gives the City of Portland one of its strongest tools to attract, retain, and expand business and create jobs.

EMERGENCY COMMUNICATIONS

9-1-1 ASSESSMENT: CLOSING THE PREPAID WIRELESS LOOPHOLE

Objective: Support legislation that would establish a mechanism to collect from pre-paid

wireless devices the same 75 cents per month tax that is levied on every other

device capable of accessing 9-1-1.

Issue:

Oregon state law requires that every device capable of accessing 9-1-1 be charged a 75 cent per month tax; however, there is no mechanism in place to collect this tax from pre-paid wireless customers. Pre-paid wireless customers make up an increasing proportion of the wireless market, having grown from 6% of the market in 2003 to nearly 20% of all wireless customers. In the City of Portland, 50% of all 9-1-1 calls come from wireless phones. If 20% of those calls are from pre-paid customers, then, 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. Funding from the 9-1-1 tax constitutes 20% of the revenue that funds the City's call center. The City of Portland supports legislation that would require pre-paid wireless users to pay for 9-1-1 services at the same level as all other

telecomm customers.

ENERGY

ENERGY EFFICIENCY AND SUSTAINABLE TECHNOLOGIES PROGRAM

Objective:

Support full implementation of the Energy Efficiency and Sustainable Technology (EEAST) program, making it easier for businesses and households to finance energy efficiency upgrades, saving money on utility bills and reducing greenhouse gas emissions.

Issue:

In 2009, HB 2626 established the EEAST program to provide financing for energy-efficiency retrofits of commercial and residential buildings. EEAST provides 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 obligation to repay the loan transferred to a subsequent owner. The program is to be implemented by the Oregon Department of Energy (ODOE) and the Public Utility Commission (PUC), beginning with several pilot projects, including Clean Energy Works Portland.

The City of Portland strongly supports the full implementation of EEAST, particularly the requirement that utilities continue to offer on-bill repayment of the loans. Programs such as EEAST and Clean Energy Works Portland help the state address issues such as climate change and the need to reduce the emission of greenhouse gasses through the implementation of energy efficiency measures while also providing much needed jobs.

ECOSYSTEM CREDIT MARKETS

Objective:

Support potential legislation emerging from the Ecosystem Services Markets working group to promote watershed restoration projects.

Issue:

In 2009, the Legislature enacted SB 513 that included a provision establishing the Ecosystem Services Markets working group. This group was tasked with developing policies and implementing recommendations to support the "maintenance, enhancement, and restoration of ecosystem services." The working group is directed to report back to the 2011 Legislature.

The development of ecosystem credit markets in Oregon could be significantly beneficial to local and regional efforts to restore the health of watersheds and rivers. In particular, such markets could significantly impact the City of Portland's efforts to establish a mitigation bank for the restoration of the north reach of the Lower Willamette River, and similar restoration activities on Johnson

Creek and the smaller tributaries of the Willamette River.

GREEN BUILDING

Objective:

Support for legislation containing recommendations related to the creation of Energy Performance Scores for new and existing buildings and updates to related energy and green building codes.

Issue:

Buildings are the single largest consumer of energy in Oregon. Most buildings have significant opportunities to reduce energy use, saving tenants and owner's money, making businesses more competitive, and reducing carbon emissions and other environmental impacts. Passed by the Legislature in 2009, SB 79 directed the Oregon Building Codes Division (BCD) to develop codes to improve building energy efficiency, including a reach code, by January 1, 2012. The bill created a Task Force on Energy Performance Scores to make recommendations for a voluntary and mandatory energy performance scoring system.

The City will support legislation containing recommendations emerging from the Task Force related to creating Energy Performance Scores for new buildings and that will ensure changes to the building code that meet the original intent of SB 79. Examples of legislation include:

- Reach Code: potential Reach Code incentive opportunities include expedited permitting and the creation of financial incentives for achieving the Reach Code.
- Energy Performance Scoring (EPS): implementation of a mandatory rating system with performance disclosure would encourage market-based energy efficiency improvements to existing buildings.
- Green Building Codes: BCD could expand from the energy focus of SB 79 into other aspects of green building such as water conservation, storm water management, indoor air quality, and materials management.

CLIMATE CHANGE

Objective:

Monitor and support legislation to reduce greenhouse gas emissions, promote energy efficiency and encourage the development of green jobs throughout Oregon.

Issue:

Climate change presents one of the most far-reaching environmental, economic and social problems of the 21st century. Yet while the rising urgency of climate change presents significant challenges as we seek to reduce the emissions of green house gases, so too does it provide opportunities for significant economic development and job creation.

Renewable energy and energy efficiency programs and policies can help to mitigate price increases, while also presenting an important economic development opportunity. Improved energy efficiency makes Oregon companies more competitive by reducing operating costs. Furthermore, energy efficiency remains the most serious and substantial way to make reductions in emissions.

The City will monitor and support legislation that will simultaneously reduce greenhouse gas emissions and help to create jobs in the emerging green economy, including:

- "Cool Schools" legislation which will enable school districts across the state to access capital for energy efficiency upgrades and the necessary structural upgrades needed to support energy efficiency upgrades;
- Legislation that would implement a carbon cap and trade system; and
- Expansion of greenhouse gas reporting fee authority, potentially including the assessment of fees on electricity importers and fuel distributers.

GRAY WATER

Objective: Monitor legislation pertaining to gray water reuse and disposal systems.

Issue: The 2009 Legislature enacted HB 2080, which allows for the construction and

operation of gray water reuse and disposal systems. The bill directs the Oregon Environmental Quality Commission, through the Department of Environmental

Quality (DEQ), to develop rules for the permitting of such systems.

The City was engaged in the development and passage of HB 2080 and the subsequent development of permitting rules. Considering its involvement and vested interest in such systems, the City will be closely monitoring any potential

legislation.

PRODUCT STEWARDSHIP

Objective:

Support legislation that would establish a statewide product stewardship program for compact fluorescent light bulbs or other products that pose environmental risks and waste management challenges.

Issue:

The changing nature of Oregon's solid waste stream – more products containing toxics or made of multiple materials – makes it more expensive for local governments to manage waste. Increasingly, product stewardship programs are being introduced, both nationally and internationally, to shift the costs of dealing with difficult to manage products from local governments and their rate payers to the producers. Such programs provide incentives to improve product design and manufacturing and ensure that products are reused and recycled. In 2007, Oregon adopted legislation making producers responsible for the collection, transportation, and recycling of computers, monitors and televisions. In 2009, the Department of Environmental Quality introduced legislation that would have established the framework for a larger statewide product stewardship program. The City of Portland supported this legislation, however it was ultimately not passed into law.

The failure to dispose of products in an appropriate matter can contribute significantly to environmental pollution. Thus, the City of Portland supports legislation that would establish a product stewardship program for products that pose environmental risks and waste management challenges, such as mercury-containing compact fluorescent light bulbs.

SINGLE-USE PLASTIC SHOPPING BAGS

Objective:

Support legislation that would establish a statewide ban on single-use plastic shopping bags.

Issue:

Single-use plastic shopping bags are a major source of ocean litter, are rarely recycled, and create significant problems in sorting and processing Portland's recyclables. While paper bags are made in this region and more frequently recycled than plastic bags, they also have a considerable environmental impact. Reusable bags, meanwhile, are an affordable and readily available solution. Domestic and international jurisdictions have had considerable success in reducing the number of disposable bags by implementing policies banning single-use bags.

In July, 2010, the City of Portland adopted a resolution indicating its support for this issue and its commitment to a policy that would: 1) prohibit single-use plastic bags to be distributed to grocery customers for carryout purposes; 2) place a minimum five-cent charge on carryout paper bags; and 3) promote the use of reusable bags. While the City would prefer to see statewide action regarding single-use plastic bags, it is prepared to consider such an ordinance should state legislative action not take place. The City supports comprehensive statewide policy to reduce single-use bags and opposes any preemption of local government authority to adopt such policies.

HOUSING

FUNDING FOR DEPARTMENT OF HUMAN SERVICES

Objective:

Support efforts to minimize cuts to the Oregon Department of Human Services (DHS) budget – specifically, its funding for alcohol and drug treatment programs, community mental health programs, and mental health services for adults and families, including young adults exiting foster care. The City also supports policies that would direct more DHS resources to alcohol and drug treatment programs, community mental health programs, and mental health services.

Issue:

Many important City goals including improving downtown and neighborhood livability, decreasing interactions between the police and persons with mental illness or persons under the influence, and achieving the supportive housing goals in the joint City-County Ten-Year Plan to End Homelessness, are all directly linked to the level of State funding for mental health services, and alcohol and drug treatment services. Without those services, evidence shows that many homeless single adults who have mental illness and/or an addiction will have difficulty remaining housed. In addition, homeless families headed by an adult with mental illness or an addiction will have difficulty remaining housed; sustained homelessness could result in the removal of the children from the home or the return of the children to foster care. The city also supports providing individuals being released from jail with more than a weeks worth of medication to ease their transition back into the community. Maintaining seniors' independence is important to their quality of life as well as saving funds that would otherwise go to institutional care. To that end Portland supports efforts to continue funding for Project Independence which provides 2,000 seniors with assistance with basic household tasks.

Private and non-profit housing partners, such as community development corporations, rely on social service agencies to support their residents who face mental health and/or addiction challenges. To meet the City's Ten- Year Plan commitment to open 1,200 additional units of permanent supportive housing (PSH) and 600 additional units of housing for high-need families, local social service agencies must have sufficient funding to provide case-management and other services to formerly homeless residents and other high-need tenants of City-subsidized housing.

PUBLIC RECORDS

DRAFT AUDIT REPORTS

Objective:

Support legislation amending ORS 192.502 to include preliminary draft audit reports and public work papers among the materials that are exempt from public disclosure.

Issue:

Draft audit reports and work papers do not currently have explicit protection under the public records law as a result there is the threat of litigation and the possibility of significant errors if the work is requested before the audit work has been fully completed and reviewed for accuracy.

This is problematic because the release of a draft audit report prior to the completion of an audit can compromise the ability of an auditor to complete the audit work and undermine the audit's credibility, as a result. Audit Standards require a quality control review to ensure accuracy before an audit can be released.

Legislation would resolve these problems by making it clear that drafts and work papers would be confidential until the release of the audit at which point all draft audit reports and work papers would be available to the public.

PUBLIC SAFETY

GUN SAFETY

Objective: Support statewide legislation to reduce illegal gun use and restrict access of

minors to guns.

Issue: More than 30,000 people are killed by firearms in the United States every year.

In the City of Portland and the State of Oregon, gang violence and the illegal use of firearms is a growing at an unacceptable rate. While the City is considering what steps it can take locally, the City also supports legislative action at the state and federal level. The City of Portland will support legislation that will help combat the incidence of gun violence in the state and within the city limits. Such legislation may include provisions to require gun owners to report the loss or theft

of a firearm, and create penalties for providing access to guns to minors.

PUBLIC SAFETY

SEX TRAFFICKING

Objective:

Support legislative efforts aimed at reducing sex trafficking. The City will support legislation that toughens penalties for buyers of sex and that strengthen prosecution against those who exploit victims.

Issue:

The Oregon Department of Human Services and the Portland Police Bureau have currently identified 100-130 juveniles as suspected or confirmed victims of human trafficking. Currently, statutes relating to prostitution (ORS 167.700) classify both buyers and sellers of sex as equally culpable and do not adequately address the criminality of exploiters. However, experience from law enforcement and social service agencies show that persons offering or agreeing to prostitution, especially juveniles, are often coerced and are not acting of free will. The City will support legislation that would:

- Separate the current prostitution statute (ORS 167.007) into two separate statutes that make "buying" sex a different crime from "selling" sex;
- Expand the definition of "compelling prostitution" under ORS 167.017 to include "institutes, aides, or facilitates a person under 18 years of age to engage in prostitution;"
- Include sex offender registration status to include those who engage in prostitution with a minor as a second offense and where the age difference between the offender and the minor is ten years or greater (ORS 181.594);
- Prohibit ignorance or mistake of age of a prostituted minor as a defense to engaging in prostitution with a minor or to compelling prostitution (ORS 163.325);
- Increase fines for those who buy sex from minors

PUBLIC SAFETY

ADDRESSING PUBLIC SAFETY IN ESTABLISHMENTS SERVING ALCOHOL

Objective:

Support legislative proposals that will allow local governments to address immediate threats to public safety arising out of the sale and service of alcohol and provide the Oregon Liquor Control Commission (OLCC) with criteria to intervene earlier to address problem establishments. The City will also support the requirement that one member of the OLCC Commission have a background in public safety.

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 lax management and oversight of their customers. Local law enforcement is in the best position to assess the possible ramifications of serious crimes at a particular location. For example, a recent gang related incident at a local establishment resulted in two individuals being shot. The threat of possible retaliatory violence led the police to request an immediate suspension from the OLCC. The police found it impossible to meet OLCC's burdensome requirements in a timely enough manner to address the emergency. Local governments should have the authority to take immediate action to address the potential harm a licensee is causing by immediately suspending the licensee's operations for up to seventy two hours until a plan of action can be developed that mitigates any future threat to public safety.

The Commission holds the greatest authority to compel compliance with liquor laws from liquor licensees, yet the tools currently available through ORS 471.313 and 471.315 result in an extreme drain on administrative and law enforcement resources due to high thresholds set through case law and undefined terms. Developing statutory guidelines to address illegal activity through administrative action earlier in the licensing history would help address problems before they become serious threats to the community. Violent incidents and drug activity are serious occurrences that should be addressed with serious consequences.

The City of Portland supports legislation that achieves these goals through targeted statutory language.

TAXATION AND FINANCE

BEER TAX

Objective:

Support legislation that will increase beer taxes in Oregon.

Issue:

The last time the beer tax in Oregon was raised was 1976 to \$2.60 a barrel which is about a penny a pint.

In cities, a large share of local alcohol-related costs are in public safety, and include direct liquor law violations, assaults, domestic violence, driving-while-under-the-influence-of-intoxicants ("DUII"), disorderly conduct, property crimes, theft, prostitution, and many other categories of crimes. However, the amount provided to cities through state revenue sharing formulas falls far short of what cities must spend responding to alcohol related incidents. For example, in FY 2005-2006, the City of Portland spent over \$15 million responding to alcohol related incidents but received just over \$10 million through revenue sharing.

The City of Portland would support an increase in the beer tax that would help local governments remain whole and address this shortfall. The City would also support an increase that includes funding for mental health services and drug and alcohol treatment.

TAXATION AND FINANCE

STATEWIDE TAX REFORM

Objective:

Support changes to the state and local tax system that will provide stability for state and local government and avoid regressive results.

Issue:

Oregon's heavy reliance on income taxes to pay for critical services such as education, public safety, and health care tends to flood the state treasury when the economy is doing well and forces drastic cuts when the economy does poorly. Vital state services such as education, public safety and environmental protection are continually at risk due to the state's unstable revenue system and the lack of a substantial reserve fund. When the State is unable to deliver basic services, local governments must often fill the gap stretching already thin resources further. No other state in the nation is as dependent on the personal income tax as Oregon. This volatility leads to dramatic changes in revenue, forcing the State and local governments into unpredictable budget environments. Furthermore, with the passage of Measure 5 and 50, the ability of local governments across the state to meet existing demands and address emerging challenges has diminished over time

During the 2007 legislative session, the Legislature made significant steps towards addressing this volatility through the creation of a rainy-day fund (HB 2707), which the City strongly supported. Over the interim, the City followed the work of the Joint Revenue Restructuring Task Force which was charged with examining the State's current tax system and reporting back to the legislature with its findings and recommendations. The City supports legislative proposals that will help to alleviate the fiscal volatility experienced by state and local governments.

TAXATION AND FINANCE

SYSTEM DEVELOPMENT CHARGES

Objective:

Monitor efforts that would substantially alter the system development charge (SDC) framework that has been in place since 1989. Oppose efforts that would combine and/or cap existing SDCs with new SDCs.

Issue:

System development charges are an effective mechanism for providing revenue to help pay for infrastructure required to serve new growth. Currently the City imposes system development charges for water, sewer, transportation expansion and parks infrastructure.

In previous sessions, legislation was introduced that proposed to adding schools, public safety and library capital costs to the list of facilities for which SDCs could be charged. Other legislative proposals have sought to provide school districts with the authority to impose a school impact fee on new residential development for school capital improvements or construction.

SDCs are a critical source of revenue that allow local government to pay, in part, for the infrastructure demands of new development. The City of Portland will monitor legislation pertaining to SDCs and support proposals that would expand the list of facilities for which SDCs can be charged. The City will oppose efforts to cap SDCs.

TELECOMMUNICATIONS

RIGHT-OF-WAY MANAGEMENT

Objective: Oppose legislation that would limit the City's ability to manage and maintain the

public right-of-way.

Issue: One of the responsibilities of cities is to manage and maintain public rights-of-

way, including charging fees for rent and permit fees when necessary.

Circumstances in each community differ, and cities need flexibility in regulating rights-of-way to allow them to respond to competing needs, and provide equitable access to all users. Local management of the right-of-way prevents unnecessary disruptions to transportation, maintains access to local neighborhoods and businesses and assures emergency vehicle access. Studies have shown that the kinds of inefficiencies caused by restricting local control of rights-of-way can increase congestion, greenhouse gas emissions, impair access to businesses, and reduces the useful life of pavement by 33%. The City will oppose any legislation that will limit its ability to effectively and efficiently manage local rights-of-way.

TELECOMMUNICATIONS

POLE ATTACHMENTS

Objective:

Oppose legislation that would classify local governments as "licensees" for

purposes of being subject to fees imposed by pole owners.

Issue:

Pole attachments are defined as any wire or cable used for the transmission of communication or electricity that is installed on any pole in the public right-of-way. Local governments make attachments to poles for a variety of reasons, including: public safety communications, traffic signalization, and traffic monitoring. Attaching city wires and equipment to existing utility poles is faster and cheaper than making installations underground or building redundant poles.

The City of Portland works closely with pole-owing utilities and complies with required safety codes. Currently, the City of Portland makes pole attachments at no cost, typically as a result of franchise agreements with the utilities. However, if the City was defined as a "licensee" under state law, it could lead to the imposition of penalties and fees.

TRANSPORTATION

TRANSPORTATION FUNDING FOR ALL MODES

Objective:

Support efforts to maintain and expand funding for all modes of transportation including automobile, transit, rail, ports, pedestrian and bicycles.

Issue:

Auto, transit, rail, bike and pedestrian facilities, airports and ports are all vital components of Portland's transportation system and are a driver of economic development by leveraging federal funds, spurring private investment and creating jobs. All modes are especially important to citizens who do not have cars or the ability to drive. Furthermore, by providing effective and efficient alternative modes, goods and services can be delivered in a timely and cost efficient manner, and thus, these modes contribute to the city's and state's economic competitiveness.

By maintaining and investing in all modes, including transit, Oregon can provide a more efficient alternative to single occupancy trips on our freeways, highways and roads, thereby reducing our reliance on fossil fuels, reducing air pollution and congestion, and increasing service delivery to the elderly and disabled. Furthermore, these investments leverage significant amount of federal funds to the state.

TRANSPORTATION

IDLING REGULATIONS

Objective:

Support legislation to limit unnecessary vehicle idling.

Issue:

Unnecessary vehicle idling wastes gas, money, and generate needless greenhouse gas emissions, such as carbon dioxide and volatile organic compounds. For the average truck a gallon an hour is wasted.

City of Portland and the State of Oregon committed to reducing greenhouse gas emissions. In 2004, the Governor's Advisory Group on Global Warming recommended placing restrictions on unnecessary truck idling, yet in the six years since, no action has been taken. 18 other states have adopted regulations to limit unnecessary vehicle idling. These regulations are a commonsense, low-cost proposal that will significantly reduce greenhouse gas emissions statewide, bringing the state closer to reaching its emission reduction goals.

WATER

STATEWIDE INTEGRATED WATER RESOURCES STRATEGY

Objective:

Support the Oregon Water Resources Department in their development of a

Statewide Integrated Water Resources Strategy.

Issue:

Following the passage of HB 3369 in 2009, the Oregon Water Resources Department (WRD) has been working to develop a statewide Integrated Water Resources Strategy (IWRS). This effort has been done in coordination with the Department of Environmental Quality (DEQ), the Oregon Department of Fish and Wildlife (ODFW), other state agencies, local governments and additional stakeholders. The City of Portland and the Regional Water Providers Consortium

are participating in this process.

The IWRS must address the states in-stream and out-of-stream water needs in terms of water quantity, water quality, and ecosystem needs while considering population growth. The WRD must report back to the Legislature and update the strategy every five years. The City supports potential legislation emerging from this effort. Future provisions from the IWRS, particularly legislation relating to exempt wells, could benefit the City's sustainability efforts and protect water sources such as our ground water system.

WATER

MUNICIPAL WATER CONSERVATION

Objective:

Monitor potential legislation pertaining to water conservation mandates for

municipal water providers.

Issue:

In 2009, the Legislature passed HB 3369, which created requirements for non-municipal water supply projects receiving certain state funding. These requirements include mandatory water conservation of 20 percent, the need to meet peak/ecological flow needs, and a sharing of conserved water with instream purposes. The City of Portland will monitor legislation pertaining to these requirements and oppose legislation that would expand these requirements to municipal water suppliers and apply to other water right processes not in connection to state financial incentives. Many municipalities, including the City of Portland, have already made major conservation and instream flow/habitat commitment efforts. Moreover, existing law and rules call for continued provider

conservation efforts in order to maintain water rights.

WATER

WATER AND WATER QUALITY RESOURCES DEPARTMENT BUDGET

Objective:

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

Issue:

Considering the projected General Fund budgetary shortfall for the 2011-2013 biennium, all state agencies will be required to make significant additional budget cuts. Although the Water Resources Department (WRD) and the Department of Environmental Quality (DEQ) are supported in part by fees and the Health Division in part by federal dollars, these agencies will still face significant cuts that are likely to affect the Water Bureau and City generally. The City of Portland relies on these agencies to provide permits, perform regulator review of our operations or projects, or administer programs that support the provision of water services. In past years, funding for these agencies has been cut or allowed to erode, thus they will not start this current round of budget cuts from a position of strength. Furthermore, some federal funds could be lost due to inadequate matching state funds.

These agencies have been soliciting input on proposed budget cuts and the City of Portland has been engaged in this process. The City will remain engaged in this process throughout the legislative session.

Agenda No. **REPORT NO.**Title

	Accept the Report	on the 2011	State Legislative	Agenda	(Report)
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INTRODUCED BY Commissioner/Auditor: Mayor Sam Adams	CLERK USE: DATE FILED
COMMISSIONER APPROVAL Mayor—Finance and Administration Adams Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Leonard	By: Deputy ACTION TAKEN: LaVonne Griffin-Valade Auditor of the City of Portland
BUREAU APPROVAL Bureau: Office of Government Relations Bureau Head: Martha Pellegrino Prepared by: Matt Jaffe Date Prepared:December 1, 2010 Financial Impact Statement Completed Amends Budget Not Required Council Meeting Date December 8, 2010 City Attorney Approval	DEC 08 2010 ACCEPTED

AGENDA
TIME CERTAIN Start time:
Total amount of time needed:(for presentation, testimony and discussion)
CONSENT [
REGULAR

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	6	
2. Fish	2. Fish	V	
3. Saltzman	3. Saltzman	V	
4. Leonard	4. Leonard	/	
Adams	Adams		R