



Metro | Agenda

Meeting: Metro Council Work Session
Date: Tuesday, July 16, 2013
Time: 2 p.m.
Place: Council Chamber

CALL TO ORDER AND ROLL CALL

- | | | |
|----------------|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| 2 PM | 1. ADMINISTRATIVE/ CHIEF OPERATING OFFICER COMMUNICATION | |
| 2:15 PM | 2. REVIEW OF CII LEADERSHIP COUNCIL 2013 ANNUAL REPORT – <u>INFORMATION / DISCUSSION</u> | Tom Imeson, Leadership Council
Dave Garten, Leadership Council |
| 3:45 PM | 3. BREAK | |
| 3:50 PM | 4. STAFF RESTRICTIONS DURING CAMPAIGN SEASON – <u>INFORMATION</u> | Alison Kean Campbell, Metro |
| 4 PM | 5. COUNCIL LIAISON UPDATES – <u>INFORMATION</u> | |
| 4:20 PM | 6. COUNCIL BRIEFINGS/COMMUNICATION | |

ADJOURN

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Agenda Item No. 2.0

**REVIEW OF CII LEADERSHIP COUNCIL
2013 ANNUAL REPORT**

Metro Council Work Session
Tuesday, July 16, 2013
Metro, Council Chamber

METRO COUNCIL

Work Session Worksheet

PRESENTATION DATE: July 16, 2013

TIME: 2:15 p.m.

LENGTH: 90 min

PRESENTATION TITLE: Review of CII Leadership Council 2013 Annual Report

DEPARTMENT: Community Investment Initiative and the Regional Infrastructure Enterprise Business Plan

PRESENTER(S): CII Leadership Council members Tom Imeson and Dave Garten

WORK SESSION PURPOSE & DESIRED OUTCOMES

- Purpose: To receive the recommendations of the CII Leadership Council
- Desired outcome: Understand the general proposal included in the draft RIE Business Plan, the recommended actions for Metro and other implementation partners, and suggest next steps.

TOPIC BACKGROUND & FRAMING THE WORK SESSION DISCUSSION

In July 2012, the CII Leadership Council adopted their Strategic Plan calling for a five part integrated strategy to promote economic development and job growth:

- Creation of a Regional Infrastructure Enterprise to invest in infrastructure that catalyzes economic development, job growth and private investment;
- Foster conditions that support development ready communities;
- Ensure the reliable and efficient movement of goods and people across the region;
- Protect and enhance our communities' investments in school facilities and properties;
- Monitor progress to ensure investments prioritize generation of jobs, promotion of opportunities and reduction of disparities.

Throughout the past year, the Leadership Council has been developing implementation strategies for each of the focus areas included their Strategic Plan. These recommendations were released as draft proposals on July 8. Over the summer, the CII plans to conduct a targeted vetting process to refine these recommendations, with a formal adoption scheduled during their September 24 meeting. At that time, the question of whether to act on recommendations, specifically the RIE Business Plan, will belong to the suggested implementation partners, including Metro.

Metro Council President Tom Hughes has provided a liaison connection to the Leadership Council and Councilor Carlotta Collette has provided a liaison connection to the Regional Infrastructure Enterprise Implementation Group. Over the past several months, the Council has provided these liaisons with feedback on preliminary recommendations as they were being developed. In addition, there have been several review sessions with MPAC to solicit feedback on the preliminary recommendations.

This Council Work Session will include a brief presentation of the full CII Annual Report recommendation, with a primary focus on the RIE Business. The package of materials includes an Annual Report summarizing their recommendations with greater detail on each subject in the attached appendices.

QUESTIONS FOR COUNCIL CONSIDERATION

- Does the Council have clarifying questions on the recommendations, particularly the RIE Business Plan?
- With which priority stakeholders does the Metro Council suggest the Leadership Council vet these recommendations?
- Does the Metro Council need anything from staff in order to consider implementing the recommendations in the RIE Business Plan?
- What other questions does the Metro Council have for the presenters?

PACKET MATERIALS

- Would legislation be required for Council action ☒ Yes ☐ No
- If yes, is draft legislation attached? ☐ Yes ☒ No
- What other materials are you presenting today?
 - Community Investment Initiative 2013 Annual Report
 - Community Investment Initiative 2013 Annual Report Appendices

DRAFT



COMMUNITY INVESTMENT
initiative

2013

Annual Report

LEADERSHIP COUNCIL

Michael Alexander
Urban League of Portland

Thomas Aschenbrener
*Impact Philanthropy for
Progressive Thinkers*

Craig Boretz
Con-way, Inc.

John Branam
Community leader

Tom Brian
*Former Washington
County chair*

Fred Bruning
CenterCal Properties, LLC

John Carter
*Schnitzer Steel Industries,
Inc.*

Steve Clark
Oregon State University

Corky Collier
Columbia Corridor Association

Aneshka Dickson
Colas Construction, Inc.

Angus Duncan
*Bonneville Environmental
Foundation*

Bart Eberwein
Hoffman Construction

Patrick Egan
Pacific Power

Erin Flynn
Portland State University

Mark Garber
*Portland Tribune and
Community Newspapers*

Dave Garten
Portland State University

Tom Imeson*
Port of Portland

Cobi Jackson
Wells Fargo

Margaret Kirkpatrick
NW Natural

Kurt Koehler
Kryptiq Corporation

Don Krahmer
Schwabe, Williamson & Wyatt

Nolan Lienhart
ZGF Architects, LLP

Ann Lininger
Oregon Iron Works

Randy Miller
*Produce Row Property
Management Co.*

John Mohlis
*Oregon State Building &
Construction Trades Council*

Marcus Mundy
Mundy Consulting, LLP

Jerralynn Ness
Community Action

Deanna Palm
*Hillsboro Chamber of
Commerce*

Dave Robertson*
PGE

Joe Rodriguez
*Former Superintendent
Hillsboro Public Schools*

John Russell
Russell Development

Casey Ryan
Riverview Community Bank

John Spencer
Spencer Consultants

Carl Talton
Portland Family of Funds

Joanne Truesdell
*Clackamas Community
College*

Peter Watts
Jordan Ramis PC

Karen Williams
*Carroll Community
Investments, LLC*

Bill Wyatt
Port of Portland

As of June 2013

** CII Leadership Council co-chair*

THANK YOU PARTNERS

Regional Infrastructure Enterprise

Elected officials, RIE focus group
Bernie Bottomly, Portland Business Alliance
John Carroll, Carroll Community Investments
Carlotta Collette, Metro Councilor
Jillian Detweiler, TriMet
Mark Gardiner, Western Financial Group
Lise Glancy, Port of Portland
Tom Hughes, Metro Council President
Keith Leavitt, Port of Portland
Sandi McDonough, Portland Business Alliance
Kirk Olsen, Dermody Properties
Mary Olson, Norris, Olson & Associates
Sean Robbins, Greater Portland Inc.
Colin Rowan, United Fund Advisors
Ken Rust, FEO2

Development-Ready Communities

Stephen Butler, City of Milwaukie
Dominic Colletta, Lane Powell
Colin Cooper, City of Hillsboro
Lise Glancy, Port of Portland
Gene Grant, Davis Wright Tremaine, Urban Land Institute
Bob LeFeber, Commercial Realty Advisors
John Miller, Oregon Opportunity Network
Mayor Doug Neeley, City of Oregon City
Alice Rouyer, City of Tualatin
John Southgate, John Southgate Consulting
Eric Underwood, City of Oregon City
Craig Ward, City of Troutdale
Ramsay Weit, Community Housing Fund
Janet Young, City of Gresham

Performance and Equity Measurement

Demetria Espinoza, Coalition of Communities of Color
Stephen Gomez
Mara Gross, Coalition for a Livable Future
Julia Meier, Coalition of Communities of Color
Elizabeth Morehead, Greater Portland Pulse
Linda Nettekoven, Hosford-Abernathy Neighborhood Association
Jeremy Rogers, Oregon Business Plan
Joseph Santos-Lyons, Asian Pacific American Network of Oregon
Irene Schwoeffermann, Funders Committee for Civic Participation

Transportation Funding

Olivia Clark, TriMet
Andy Cotugno, Metro
Neil McFarlane, TriMet
Jim Whitty, Office of Innovative Partnerships and Alternative Funding Manager, ODOT

School Facilities and Properties

Bob Alexander, Portland Public Schools
Bill Becker, Portland Metro STEM Partnerships
Larry Didway, Oregon City School District
Jennifer Garland, Beaverton School District
Linda Johson, Colton School District
Jerry Jones, Gresham-Barlow School District
Jason Jurjevich, Portland State University
Patt Komar, David Douglas School District
Dick Steinbrugge, Beaverton School District
Charles Rynerson, Portland State University
Ruth Scott, Center for Innovative School Facilities
Adam Stewart, Hillsboro School District
CJ Sylvester, Portland Public Schools

The challenge

We are fortunate to live in great place. The Portland metropolitan region is a popular place to live and work, partly due to its extraordinary landscape and natural heritage, but also because of our dedication to planning for the future. We have been intentional about how and where we invest for tomorrow.

These investments are the foundation upon which our economy and quality of life are built. Traded sector industries utilize our marine and airport facilities to reach distant markets, workers take our extensive transit network to access jobs, and high-tech companies make use of our abundant water and energy resources to grow. We have preserved farm and forestland and kept nature close to our communities.

But over the last two decades, the quality of life that attracts people and business to the Portland metropolitan region has been slowly declining due to lack of investment. Funds needed just to repair and rebuild the infrastructure that supports our region's growth are dwindling.

As we welcome an anticipated 625,000 new residents within the Urban Growth Boundary over the next 20 years, the cost of building the needed public and private facilities is estimated to be \$27 to 41 billion. Traditional funding sources are expected to cover only half that amount. We need to make the most of the funding we have by leveraging these traditional public resources with private investment.

The region faces additional hurdles related to investment in our economy. While some efforts to fuse public and private resources have been successful, no entity exists to continually integrate these assets on a regional scale. Local permitting and regulatory practices can be unpredictable and perceived to add unnecessary costs, creating barriers to attracting new investment. Our region's school facilities are overcrowded and lack the technology needed to prepare students for higher education and tomorrow's job market. Finally, the region lacks a clear way of measuring the impact of its investments in infrastructure.

As the functional life of our existing roads, bridges, pipes and other public structures built decades ago begins to expire, it is clear that the region's critical infrastructure is living on borrowed time. New tools are required to bring financial, technical and development resources to bear on our shared infrastructure needs, better coordinate and measure our investments, and define a clear path for business expansion. We need to act now to strengthen our economy.

We need to reinvest in our region's infrastructure to rebuild the economy by putting people back to work and laying the foundation for future economic growth.

The response

We all want a region that provides good jobs, safe and reliable transportation, livable neighborhoods, and access to the opportunities that create the quality of life for which our region is known. We need to reinvest in our region's infrastructure to rebuild the economy by putting people back to work and laying the foundation for future economic growth.

Living wage jobs can be created by rebuilding our outdated infrastructure as well as investing in new public structures that are crucial to development. In the years to come, modernized and efficient infrastructure will make our businesses more competitive and help attract and grow innovative companies to invest in job creation in the Portland metropolitan region. Maintaining and improving roads, bridges and transit could save commuters time as well as millions of dollars in fuel costs. Investment in modern transportation infrastructure will save our region's economy nearly \$850 million annually by 2025.

Basic investments in retrofitting aging buildings, including our schools and educational facilities, could reduce energy use by up to 50 percent and put more resources in the classroom. Connecting vacant land with the pipes and pavement needed for development will allow more businesses to grow and thrive.

The region's existing economic development strategies recognize the need for more living wage jobs, growth in traded sectors or specific economic clusters, and greater financial stability for the people who live and raise families here. While many of these strategies specify a range of actions to achieve these goals, they also emphasize that infrastructure is critical to regional competitiveness and job creation. Smart, targeted investments in infrastructure made in alignment with our regional strategies can help stimulate development and grow the economy.

We have the opportunity to invest now in the economy and quality of life we envision for our region.

Places around the country that have tackled significant infrastructure challenges have one thing in common: strong, bold leadership from the private sector in partnership with the public sector.

The Community Investment Initiative

The Portland metropolitan region is not alone in facing these significant challenges. Looking around the country at places that have worked to tackle these problems, those that were successful had one thing in common: strong and bold leadership from the private sector in partnership with the public sector. To meet this need for our region, the Community Investment Initiative (CII) brought together a diverse coalition of more than two dozen leaders from the Portland metropolitan area's business, community and public sectors to create a Leadership Council committed to building the region's economy by making investments in infrastructure that create and sustain living wage jobs.

The Initiative convened the Leadership Council to identify the innovative tools that use existing resources more efficiently, encourage public-private partnerships, and facilitate strategic infrastructure investments, particularly those of regional significance. By leveraging the power of the Leadership Council's extensive network of professional relationships, we can develop a regional approach that integrates previously separate efforts on investments, jobs, development, transportation and equity for a coordinated strategy that allows us to focus and prioritize our resources.

The strategic plan

In June of 2012, the Leadership Council released a strategic plan that focuses on the challenges to our region's economy and assesses the investments most likely to deliver the greatest benefits region-wide. The resulting four strategies offer an integrated and transformative investment approach that makes the most of existing and future public resources while achieving the greatest economic, environmental and social return for the region. These four strategies are being implemented to move the Leadership Council, stakeholders and the region forward toward creating a resilient economy:

- Invest in infrastructure to catalyze jobs and economic prosperity
- Foster conditions that support development-ready communities
- Ensure the reliable and efficient movement of goods and people across the region
- Protect and enhance our communities' investments in school facilities and properties, now and in the future

In implementing each strategy, the Leadership Council is evaluating where and how to invest in the region's economic future by factoring the impact these investments have on communities through a performance measurement strategy to help ensure the benefits and costs of future growth and change are equitably distributed.

The Leadership Council and its partners have been working throughout the last year to implement the elements of the strategic plan, and much progress has been made.

The Leadership Council offers its recommendations for a prosperous economy to the community, business and elected leaders of the region.

The members of the Leadership Council are committed to working with regional leaders to help make targeted investments in the structures that support our region's economy and help create living wage jobs.

CII Leadership Council Recommendations



REGIONAL INFRASTRUCTURE ENTERPRISE

Invest in infrastructure to catalyze jobs and economic prosperity



Infrastructure serves as the foundation for the region's economy and the centerpiece issue addressed by the Community Investment Initiative. The roads, bridges, pipes and other public structures that support daily life enable our businesses to connect with markets, get workers to and from job sites, and provide the resources needed to make products and provide services. Without these structures, our economy suffers, and it is increasingly clear that a purely public investment model no longer meets our needs.

To support investment in basic infrastructure, the CII Strategic Plan calls for the creation of a Regional Infrastructure Enterprise (RIE) to leverage private investment through a public-private partnership model to deliver infrastructure investments. The mission of the RIE is to facilitate infrastructure investment that catalyzes living wage job creation, private investment and economic development. Its goal is to focus on the projects in population centers and employment areas that have the most potential to deliver jobs and economic development to the region.

With a three-phased approach, the initial phase of the RIE is envisioned to support development projects by providing technical assistance such as market analysis and permitting assistance, and funding through patient capital or grants. This first phase, which focuses on demonstration projects, will be needed to prove and refine the approach before expanding into later phases of supporting larger projects. It is not intended to supplant local and regional responsibility for priority setting, but instead augment and help deliver existing projects that most of us agree are crucial for the region's economic health.

The RIE will work to:

- facilitate development of key projects that support the economy
- create shovel-ready land for new and expanding businesses
- deploy public-private partnerships to maximize investment resources on key projects
- establish a mechanism for making ongoing strategic investments in merit based projects of regional significance
- advance regional and local goals for development and job creation.

With agreement from key partners, the RIE can be realized. While the concept has buy-in from partners and stakeholders from across the Portland metropolitan region and a way forward through a completed and phased business plan, key steps remain to be taken.

RECOMMENDATIONS

While the RIE cannot solve the region's problems single-handedly, it will provide an important tool to shore up our most critical economic foundation and grow the jobs that support the services we all rely on.

The Leadership Council recommends:

- the immediate implementation of the Regional Infrastructure Enterprise business plan to help deliver the infrastructure needed to create living wage jobs in the Portland metropolitan region
- the formation of a new partnership between Metro and the Port of Portland, governed by an appointed board of directors, to develop and implement a regional project package that supports our shared economic development goals and generates momentum for securing funding for ongoing investments.

The mission of the Regional Infrastructure Enterprise is to facilitate infrastructure investment that catalyzes living wage job creation, private investment and economic development.



DEVELOPMENT-READY COMMUNITIES

Foster conditions that support development-ready communities



With its unique land use laws, Oregon has additional complexities related to development and growth. We have worked together as a region to grow responsibly by encouraging development in existing communities and protecting farm and forestland on the edges. But this has also meant a more limited land supply and a need for greater thoughtfulness in planning. While these conditions reflect the values shared by the majority of Oregonians, any added hurdles — real or perceived — to development can create conditions that make private investment and expansion less attractive.

In the strategic plan, the Leadership Council recommended the creation of a development readiness strategy to identify these hurdles and explore solutions. This strategy would pursue good government practices to deliver a more transparent and predictable development process without undermining the spirit of existing regulation.

The CII worked collaboratively with the City of Oregon City in a pilot program to test a development readiness tool and gauge its effectiveness. Those involved agreed that the tool provided valuable insight into a community's development readiness and measured the right variables. More importantly, the use of the tool prompted an in-depth conversation with policy makers and developers about what local jurisdictions could do to spur development in their communities. Using these tools and strategies, local jurisdictions throughout the region can identify their own program's strengths and weaknesses, and recommend specific actions to improve the development review process and streamline permitting while preserving communities' environmental values. These processes are vital for growing businesses and living wage jobs right here in our neighborhoods.

While the program is not intended to meet every need for either the jurisdiction using it or the developer hoping to navigate the permitting process, it provides an effective approach for investigating how a jurisdiction interacts with the businesses and enterprises driving growth in their community.

RECOMMENDATION

The development-ready communities program illustrates best practices, helps clarify the path through local permitting processes, and supports developers and jurisdictions by providing certainty to those looking to invest in the region. The Urban Land Institute has stepped forward as a partner that may be willing to take this concept and broaden its applicability to the entire region.

The Leadership Council recommends:

- the Urban Land Institute implement the program as part of its emerging Thriving Cities Alliance and broaden its scale to support high quality development outcomes in the region.

Development-ready means communities can attract private investment without adding unnecessary time, risk or uncertainty to the development process.



TRANSPORTATION FUNDING

Ensure the reliable and efficient movement of goods and people across the region



The Portland metropolitan region's economy is dependent upon transportation. The region sits at the confluence of international marine terminals and inland waterways, the crossroads of two interstate highways and transcontinental rail lines, and hosts the largest airport in the state. Our economy is powered by advanced manufacturing, high-tech industries and specialty trades, all of which rely upon these connections to reach markets both at home and abroad. The efficient and effective movement of people and goods within and through the region is essential to our economic success.

While our need for a safe, reliable and effective transportation system has never been greater, the traditional funding sources that support our roads, bridges and other vital infrastructure are dwindling. Major bottlenecks and congestion cost businesses money and bind our region's ability to grow. While we have done the work to plan for improvements, there are insufficient resources to meet regional needs. In order to ensure our transportation system can accommodate the growing region, a series of investments are needed that improve freight mobility, safety for all modes of travel, and connectivity to jobs.

The Community Investment Initiative is in a unique position to advocate for transportation funding. While the group was organized to exercise its network of professional and civic leaders, the decision-making authority for major transportation projects rests with other bodies, including local jurisdictions and the state Legislature.

The Initiative explored the potential for a broad strategic investment fund for transportation by engaging stakeholders to assess interest and political will. Based on this fact-finding, the Leadership Council agreed in the short term to pursue increases in conventional transportation revenues for targeted priority transportation improvements in the 2015 legislative session, accompanied by a regional and local funding strategy.

In the long term, however, these conventional funding sources need to be replaced. The gas tax, an innovative solution when first implemented in 1919, continues to lose purchasing power due to inflation and the adoption of fuel efficient vehicles. As a viable replacement, the Leadership Council recommended the development of a vehicle miles traveled (VMT) fee assessed on how much one drives and linked to delivering the multi-modal transportation system needed to serve this region. In a prior study, researchers found that a VMT fee is technically feasible and can be implemented fairly simply, providing choices for drivers on how it is collected. Oregon pioneered the gas tax as a model for the 20th century, but we need a model for the 21st century that invests in transportation across all modes of travel.

RECOMMENDATION

Transportation infrastructure plays a vital role in ensuring the economic competitiveness of the region and needs sustained investment, both in the near- and long-term.

The Leadership Council recommends:

- local partners work together to strengthen our regional transportation system by identifying recommendations and goals for the 2015 legislative session and developing next generation transportation funding tools that capture the impact of traffic on roadways.

In order to ensure our transportation system can accommodate the growing region, a series of investments are needed that improve freight mobility, safety for all modes of travel, and connectivity to jobs.



SCHOOL FACILITIES AND PROPERTIES

Protect and enhance our communities' investments in school facilities and properties



A high-quality education is essential in preparing today's young people for the jobs of tomorrow. As knowledge of science, technology and mathematics becomes increasingly relevant to workers in our economy, our students are being short-changed in their earliest years. Thousands of children across the Portland metropolitan region are learning with outdated equipment in aging buildings that are not equipped to handle growing class sizes. They do not have access to the new technologies required to be successful in the 21st century work place, limiting our educators' ability to prepare and develop the future workforce. We are failing to adequately invest in the public structures that serve the next generation of entrepreneurs, doctors and trades people.

In 2012, the Community Investment Initiative recommended the development of a strategy to make the most of existing facilities and plan for new infrastructure investments. In partnership with the Center for Innovative School Facilities, seven local school districts and Metro's Data Resource Center, the Initiative created a State of the Schools Atlas to help school districts prioritize investments based on demographic, facility, student performance and enrollment information. This tool, comprising demographic data and facilities benchmarks, can be used by school districts for analysis to inform decision-making for facility planning and investment based on broad criteria. Additionally, working with experts in school building innovation, the Initiative drafted guidelines for new school construction or renovation to help teachers make better use of technology and their physical classroom space.

RECOMMENDATIONS

We must do a better job of providing our young people with the tools they need to be successful, beginning in our classrooms and working together to use limited resources in the most effective way possible.

The Leadership Council recommends:

- regional leaders support partner organizations and school districts in using the State of the Schools Atlas to help school districts assess where to prioritize investments in facilities and properties
- continued collaboration with the Oregon Department of Education and local Education Service Districts to consider methods of maintaining and applying the State of the Schools Atlas
- the Metro Data Resource Center provide support services to users of the State of the Schools Atlas on a fee-for-service basis
- Portland State University take the lead on marketing the regional enrollment forecast cost-sharing proposal to local school districts and Education Service Districts
- the Center for Innovative School Facilities take the lead on distribution and assistance in application of the School Facility Guidelines for Technology.

The quality of education and workforce preparedness in the future depends on having 21st century school facilities deliver 21st century programs to every student in the region.



PERFORMANCE AND EQUITY MEASUREMENT

Prioritize investments that generate jobs, promote opportunity and reduce disparities



The Community Investment Initiative came together under the principle that the Portland metropolitan region is a place where diverse interests collaborate to solve problems.

More than just formulating strategies, the Community Investment Initiative is committed to achieving measurable results across the region, both geographically and demographically. Sustainable, resilient and prosperous economies are those that have low levels of poverty, high per capita income, and generate living wage jobs for their residents. In short, a prosperous region is an equitable region. The success of the Initiative is dependent upon its ability to ensure the benefits and costs of its investments are equitably distributed among the region's communities and the outcomes are effectively communicated to residents, elected leaders and the business community. In response, the Initiative has developed a Performance and Equity Measurement framework (PEM) to shape these critical connections and illustrate how the CII is helping to create living wage jobs.

RECOMMENDATIONS

In line with our continued goal of using resources more efficiently, performance measurements will make use of existing tools housed within organizations such as the Greater Portland Pulse, Greater Portland Inc., Metro, and Coalition for a Livable Future.

The Leadership Council recommends:

- partner organizations continue to measure the region's living wage jobs, per capita income and poverty rate to help assess the effectiveness of the CII strategies and the impacts of the investments made
- key stakeholders and partners provide feedback on the performance and equity measurement framework and its relationship to the other CII strategies
- partners track and share outcomes of their efforts as they contribute to meeting the CII goals.

Sustainable, resilient and prosperous economies are those that have low levels of poverty, high per capita income, and generate living wage jobs for their residents.

Next steps

In summary, the Community Investment Initiative Leadership Council recommends:

- the immediate implementation of the Regional Infrastructure Enterprise business plan to help deliver the infrastructure needed to create living wage jobs in the Portland metropolitan region
- a new partnership between Metro and the Port of Portland to develop and implement a regional project package that supports our shared economic development goals and generates momentum for securing funding for on-going investments in our region
- the Urban Land Institute implement the development-ready communities program as part of its emerging Thriving Cities Alliance and broaden its scale to support high quality development outcomes in the region
- local partners work together to strengthen our regional transportation system by identifying recommendations and goals for the 2015 legislative session and developing next generation transportation funding tools that capture the impact of traffic on roadways
- regional leaders support partner organizations and school districts in using the State of the Schools Atlas to help school districts assess where to prioritize investments in facilities and properties
- partner organizations continue to measure the region's living-wage jobs, per capita income and poverty rate to help assess the effectiveness of the CII strategies and the impacts of the investments made.



www.communityinvestmentinitiative.org

DRAFT

[CLICK HERE FOR FULL REPORT](#)



COMMUNITY INVESTMENT
initiative

2013 ANNUAL REPORT

Appendices

Materials following this page were distributed at the meeting.

Schedule: Metro consideration of the RIE Business Plan

7-16-13 Metro Council Work Session

Date	Group	Desired outcome
7/15	CII Leadership to GPI Executive Committee	Present general recommendation in the RIE Business Plan
7/16	CII Leadership Council to Metro Council	Present CII Annual Report and general recommendations of the RIE Business Plan
8/14	Leadership Council to MPAC	Present and gather feedback on CII Annual Report and general recommendations of the RIE Business Plan
9/10	Metro Council Work Session	Discuss and summarize Metro Council's feedback to the CII Leadership Council re: Business Plan
9/24	CII Leadership Council	Adopt CII Annual Report with amendments, including the RIE Business Plan, and establish future CII work program
9/25	Metro discussion with MPAC	Identify concerns regarding implementation of the RIE Business Plan
10/9	Metro discussion with MPAC	Recommendation to Metro Council on whether to proceed with IGA forming RIE
10/15	Metro Council Work Session	Review draft Resolution directing staff to prepare an IGA forming RIE
10/17	Metro Council Meeting	Consider draft Resolution directing staff to prepare an IGA forming RIE

REGIONAL INFRASTRUCTURE ENTERPRISE BUSINESS PLAN

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Comment [E1]: Overall, document needs better and more realistic articulation of the viability and steps necessary to implement phase 3 as envisioned.

DRAFT

<i>Phase 1: Composition and implications</i>	<i>#</i>
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Regional Infrastructure Enterprise Business Plan

EXECUTIVE SUMMARY

This Business Plan recommends the creation of the Regional Infrastructure Enterprise, or RIE. The Community Investment Initiative (CII), a coalition of private and community leaders whose mission is to support the region's economy by investing in the infrastructure needed to support the creation of living-wage jobs, developed this recommendation as a solution to systemic and troubling disinvestment in the Portland region's infrastructure. The Business Plan is a call to action for public and private partners to take a leading-edge approach to a problem that affects not just the Portland region, but the entire nation. Once implemented, RIE will set a new bar for innovation and best practice in the field of infrastructure project delivery, cementing our region's reputation for thoughtful, creative solutions.

What is RIE?

RIE is a public-private partnership whose mission is to facilitate infrastructure investments that catalyze living-wage job creation, economic development, and private investment.

RIE is meant to fill critical gaps in our region's infrastructure finance and project delivery system by working with the private sector and local governments to invest in a variety of infrastructure projects. RIE's fundamental role is to improve system coordination and provide more resources to finance the projects that are most critical to our region's economic development goals. RIE will supplement and coordinate, rather than replace components of the existing infrastructure delivery and finance system.

What will RIE do?

RIE will invest in a variety of projects that meet criteria for job creation and other outcomes; projects include traditional infrastructure (e.g., roads, water and sewer lines, energy infrastructure, etc.) and land readiness investments (e.g., remediation, mitigation, land aggregation, public plazas, parking structures). By making these investments in infrastructure and development, our region will be better poised to produce more business activity and an overall stronger economy. RIE will be a:

- Market-driven selector of the infrastructure projects that are most important to our region's economic future. Using a set of criteria described in this Business Plan, and in partnership with local jurisdictions, RIE will focus its attention on coordinating existing resources and attracting new funding to these projects.
- Consultant providing technical and financial structuring assistance. That assistance may include due diligence and pre-development support, assistance with packaging of financial resources, and assessment of market and project feasibility.
- Investor in regionally significant projects. Existing resources are increasingly constrained and are probably insufficient, even if used to their fullest potential and in the most coordinated way possible. New public and private resources are necessary. RIE will need

to identify and work with regional partners to secure these resources, and target them to implement the most important regional projects.

Why do we need RIE?

Infrastructure is the most basic element of a strong economy: it moves people and goods to and from market, and is a necessary precondition for private investments in development and jobs. And yet, though we understand the critical role of infrastructure, we have failed to continue to invest at the same levels that recent generations have. America's outdated highways, electrical grid, ports, and transit systems are giving other countries a leg up. U.S. infrastructure has fallen from first place in the World Economic Forum's 2005 economic competitiveness ranking to number 15 today. Countries like China, India, and Mexico are building huge new highways, port facilities, broadband networks, rail systems, and airports – because they know these investments will help them grow and make their countries' businesses more competitive. Our economy, our businesses, and our workers are all falling behind because of our failure to make critical investments in infrastructure.

In greater Portland, the situation is no better. The lack of adequate financing mechanisms has led to maintenance being postponed and neglected. Despite widespread recognition that sound infrastructure is critical to maintaining and enhancing regional economic growth, competitiveness, productivity, and quality of life, current approaches to the development and financing of community support systems are not working.

Without an injection of new investment in infrastructure, the strength of our region's economy is at risk. Traditional funding sources are expected to cover only about half the estimated \$27 to \$41 billion needed to accommodate growth by 2035. Smart investments now can position us for success in the future and improve our economic resilience. We must invest to remain competitive and to ensure our economic success and resiliency.

The solution to this daunting challenge must be bold and collaborative. It will require the collective will of private businesses and entrepreneurs, government leaders, non-profits and foundations, and citizens, as well as a clear-eyed understanding of the risks to inaction, the skills and hard work of stakeholders to overcome those risks, and the leadership of many to build and maintain momentum. The Regional Infrastructure Enterprise is that solution, and this Business Plan explains how it will succeed.

Who does RIE serve?

RIE will provide assistance and services to a variety of partners in the infrastructure development and management community, including:

- Municipalities, counties, agencies, and service districts
- Utilities and other service providers
- Private development companies
- Non-profit and community-based developers, financiers, and service providers

Ultimately, RIE serves the general public of the Portland metropolitan region inside the urban growth boundary (UGB). Although investing in infrastructure is expensive, the return on that investment directly improves the lives of the people who live and work here. That return can be in the form of quantitative measures such as higher tax revenues, improved housing, and more jobs, as well as more-qualitative measures of strong and livable communities. Public investment is necessary to make private investment possible and profitable, and private investment is what ultimately builds great communities and allows individual households to be prosperous.

How will RIE be implemented?

Creating a new entity that can undertake a challenge of this proportion will require significant effort and support from many parties. The CII recognizes that more analysis and conversations will be needed to ensure a successful transition to full operations. To address this reality, it is proposed that RIE be implemented in a phased approach that allows it to establish a track record of success and demonstrate its value in an early phase, before transitioning to an independently financed entity in later phases. This phased approach allows RIE to develop in a nimble manner that can respond to opportunities as they arise. By leveraging existing capacities and expertise, RIE is an efficient way to provide assistance to projects. Implementation will occur in three phases:

- In Phase 1, roughly September 2013 to December 2015, RIE's primary activities will center on implementing a few demonstration projects that can serve as the basis for a successful transition to Phase 2. In addition, RIE will develop a region-wide project package and associated funding strategy for implementation in Phase 2 that will yield the greatest economic development benefit to residents. Lastly, Phase 1 work will also include refinements to the Phase 2 business model and governance structure, and continuing conversations with stakeholders to ensure success.
- In Phase 2, which begins around December 2015, RIE will work with regional partners to select and access a secure, on-going public funding source (or sources) to implement an initial package of regionally significant infrastructure projects. After execution of this package, RIE will continue to invest in additional projects that meet its criteria for (1) economic development and job creation; and (2) equity, community development, and innovation outcomes. RIE will become a full-fledged player in the regional infrastructure delivery system, coordinating with other public and private investors to ensure smart investments in our region's economy.
- In Phase 3, a longer-term effort, RIE will evolve into an entity that can more directly access private funds to invest in public infrastructure and public-private development agreements. This phase is an important goal for RIE and could be characterized by the development of an investment arm of RIE that could tap into retirement or sovereign funds or programs like EB-5. The Business Plan describes the practical, legal, and financial questions that will need to be answered before this phase can be implemented, and describes the decision-making structure for answering those questions.

Who will govern RIE?

To align with its implementation phases, RIE's governance model will also be phased. In all phases, RIE's Board will be composed of public and private sector leaders, ensuring that both the public good and private investment perspectives are integrated into all aspects of decision-making.

- In Phase 1, RIE can be created by an intergovernmental agreement (as authorized in Oregon Revised Statutes [ORS] Chapter 190) between the Port of Portland and Metro. As two agencies with regional scopes, Metro and the Port are best positioned to provide RIE with the capabilities, expertise, and resources needed to successfully launch. RIE will have a skills-based, appointed Board of Directors that will evaluate and invest in merit-based projects that align with the RIE mission. The projects themselves will be selected and implemented using Metro and Port staffing and financial resources.
- In Phase 2, RIE's Board of Directors will have fiduciary responsibility for the resources allocated to it, and will be directly responsible for selecting and sequencing project implementation. The lessons learned from Phase 1 will be incorporated into the business model, which will likely result in amendments to the ORS 190 agreement.
- Governance in Phase 3 has yet to be determined. It may not change significantly from Phase 2, or, depending on the nature of the private capital RIE accesses, it may require leadership that includes an additional range of stakeholders. These questions will be addressed as decisions are made about how RIE evolves from Phase 2 to Phase 3.

NEXT STEPS

The CII recommends this Business Plan for Metro and Port consideration and action. Specifically, Metro and the Port should form an ORS 190 partnership, as described in more detail in the Business Plan, and begin implementation of Phase 1. Key among those next steps is developing a project package that supports the economic development goals of our region and generates momentum for securing funding for implementation and on-going investments. The Port and Metro have committed staff to help support the implementation of Phase 1.

Table X RIE at a glance

	<i>Phase 1: Demonstrate</i>	<i>Phase 2: Invest</i>	<i>Phase 3: Access private dollars</i>
When	September 2013 - December 2015 (estimated)	December 2015 until Phase 3 begins, date TBD	Unknown, but must be sequenced after Phase 2 successes have been achieved
Range of projects	Demonstration projects show the added value of RIE. Projects will be smaller in scale than those envisioned for Phase 2 while still achieving an economic development outcome and serving as a model for Phase 2.	Projects located in regionally designated centers, corridors, and industrial lands that have a clear nexus to job creation and/or economic development. A project package proposal will be created in Phase 1 for implementation in Phase 2. Package will include a set of larger complex infrastructure, development, or land readiness projects.	Same types of projects as in Phase 2 but with an additional focus on revenue-producing projects that can create financial return on investment for private investors.
Services	Technical assistance, including due diligence, feasibility and market analysis, regulatory and permitting assistance. Assistance with structuring PPPs, including coordinating partners, negotiating development agreements, and connecting private capital.	Same as in Phase 1 plus direct funding including patient capital, gap financing, and grants.	Same as in Phase 2, but with the addition of a direct investment arm that accesses private funds and invests in projects that can create a return.
Funding	Existing public funding sources and finance structuring to support the demonstration projects. The Port and Metro will provide staffing and incidental funding.	Stable, on-going public resources to support continue investments. Private investment in appropriate individual projects negotiated through development agreements.	Dedicated on-going public funding for appropriate projects, with the addition of private capital from a Phase 3 investment arm of RIE. Investment capital could include EB-5, retirement funds, a partnership with a CDFI, or other sources.
Governance	RIE Board of Directors: skills-based, six-person Board that includes a mix of Greater Portland Inc. (GPI), Port, and Metro nominees. The Board will also have non-voting liaisons to connect it to its sponsors and local governments.	Same as Phase 1 but with refinements based on lessons learned. There may be opportunities to add additional sponsors and adjust the nominating bodies accordingly.	Similar to Phase 2, but may include more private sector participation in the management and oversight related to RIE's private investment arm.
Staffing	To be provided by RIE's originating sponsors, the Port and Metro, which will provide project management and technical staffing, RIE executive management and administration, and consultants.	Expand staffing capacities to execute a larger, more complex set of projects to be included in the Phase 2 package, including highly skilled staff to structure and negotiate development deals and leverage private investment for specific projects.	With the expansion of RIE to include a direct private investment fund, add staff that can recruit and manage private capital.
Private sector role	Participate directly in governance of RIE via the Board of Directors; participate through PPPs, as appropriate, to help execute the demonstration projects.	Same as in Phase 2 but on more projects.	Phase 2 role plus direct investment in projects that produce a return.

DRAFT

Public sector role	Public agencies initiate and sponsor RIE (the Port and Metro); provide funding for Phase 1 components, including staff and incidentals.	Provide a public funding allocation to the RIE Board of Directors to execute Phase 2 project package while leveraging private investments in individual projects. Funding will be originated by a public agency.	Same as Phase 2.
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RIE Business Plan (Implementation Plan) – Complete plan

OVERVIEW

The Regional Infrastructure Enterprise is meant to fill critical gaps in our region's infrastructure project delivery and finance system, working with the private sector to invest in a wide variety of infrastructure projects. Those projects include traditional infrastructure (e.g., roads, water and sewer lines, energy infrastructure, stormwater management) as well as land readiness investments (e.g., remediation, mitigation, aggregation, public plazas, parking structures).

Fundamentally, RIE's role is to improve our existing infrastructure project delivery system, making it more efficient by improving system coordination and providing more resources to finance projects that are critical to our region's economic development goals. More specifically, RIE will provide technical assistance, financial analysis and packaging, and, as appropriate, funding to projects that meet criteria for regional and state economic development significance. RIE will supplement and coordinate, rather than replace, components of the existing infrastructure finance system. It has been designed to support and improve that existing system without creating redundant efforts or new bureaucracies. RIE will be implemented in phases, beginning with a demonstration phase before a fully independent entity is formed.

1. THE NEED

Infrastructure is the most basic element of a strong economy: it moves people and goods to and from market, and is a necessary precondition for private investments in development and jobs. And yet, though we understand the critical role of infrastructure, we have failed to continue to invest at the same levels recent generations have. America's outdated highways, electrical grid, ports, and transit systems are giving other countries a leg up. U.S. infrastructure has fallen from first place in the World Economic Forum's 2005 economic competitiveness ranking to number 15 today. Countries like China, India, and Mexico are building huge new highways, port facilities, broadband networks, rail systems, and airports – because they know these investments will help them grow and make their countries' businesses more competitive. Our economy, our businesses, and our workers are all falling behind because of our failure to make critical investments in infrastructure.

In greater Portland, the situation is no better. The lack of adequate financing mechanisms has led to maintenance being postponed and neglected. Despite widespread recognition that sound infrastructure is critical to maintaining and enhancing regional economic growth, competitiveness, productivity, and quality of life, current approaches to the development and financing of community support systems are not working.

Without an injection of new investment in infrastructure, the strength of our region's economy is at risk. Traditional funding sources are expected to cover only about half the estimated \$27 to \$41 billion needed to accommodate growth by 2035. Smart investments now can position us for success in the future and improve our economic resilience. We must invest to remain competitive and to ensure our economic success and resiliency.

The solution to this daunting challenge must be bold and collaborative. It will require the collective will of private businesses and entrepreneurs, government leaders, non-profits and foundations, and citizens, as well as a clear-eyed understanding of the risks to action, the skills and hard work of stakeholders to overcome those risks, and the leadership of many to build and maintain momentum. The Regional Infrastructure Enterprise is that solution, and this Business Plan explains how it will succeed.

What is the nature of the infrastructure problem in our region?

The infrastructure delivery challenges in our region (and nationally) are systemic and begin with the many limitations associated with currently available funding sources. Most large-scale infrastructure projects combine funds from several sources. Depending on the type of infrastructure, a project may be financed with some combination of the following:

- Bonds secured by and/or paid from general fund revenues, urban renewal tax increment revenues, or other revenue streams
- Rates or fees
- Federal, state and local grants or loans
- Development-derived sources such as systems development charges
- Private contributions such as local improvement districts or other direct investments from property owners

Together, these tools provide a variety of ways to fund projects, especially for municipal governments with strong credit ratings and sufficient staff to pursue a complex mix of funding sources.

However, all major sources of revenue and financing are increasingly constrained, and many important projects remain unfunded. A fundamental reason for the funding shortage is that tax receipts are not growing fast enough to keep pace with the increasing cost of providing services to a growing population. In Oregon, statutory limitations on property tax growth, combined with limited political will or ability to increase rates and fees that are more flexible, limit the major revenue sources available to local governments. Public leaders are making difficult decisions about how to use limited revenues to fund priority services—including schools, public safety, and social services—in addition to maintaining existing and building new infrastructure. Because local resources are similarly limited across the United States, the competition for also-declining federal funds and grants is fierce.

An additional complication is that existing resources are not consistently available to all project types in all locations. Some projects, especially those involving water, sewer, or electrical infrastructure, have access to rate-based revenues or to their own property tax streams via a special district. Others, such as transportation improvements, do not. Large-scale transportation projects on interstate and state highways are more likely to be eligible for competitive funding from state and federal sources, while smaller scale transportation and multi-modal improvement projects typically must rely on local government resources. And some resources, such as urban

renewal dollars, are not available outside of certain geographic areas. These differences mean that some projects are more easily financed through the existing system than others.

Finally, some projects that have access to development-derived sources end up in a chicken/egg funding situation in which infrastructure is needed to support the development, but that development is what provides the revenue to cover the infrastructure's cost. In these types of projects, which include multi-modal access improvements, open space improvements, and other infrastructure projects that support redevelopment, the financing challenge is short-term. If upfront capital costs can be covered, the project will generate a stream of revenue that can be used to repay those upfront costs. Sometimes, this upfront money is referred to as "patient" capital, because it must come from an investor who is willing to wait for the development to produce revenues before a **return is generated**.

Comment [m2]: In the Sept. version, staff will do more to describe the types of projects that need help based on the Catalytic Infrastructure Survey results.

What will RIE do to address the problem?

Given the above challenges, the CII found several ways RIE can help. RIE will be a:

- Market-driven selector of the infrastructure projects most important to our region's economic future. Using a set of criteria described in this Business Plan, and in partnership with local jurisdictions, RIE will focus its attention on coordinating existing resources, providing technical assistance, and bringing new funding to these projects.
- Consultant providing technical and financial assistance. That assistance may include due diligence and pre-development support, assistance with packaging of financial resources, and assessment of market and project feasibility.
- Investor in regionally significant projects. Existing resources are increasingly constrained and are probably insufficient, even if used to their fullest potential and in the most coordinated way possible. New public and private resources are necessary. RIE will identify and secure these resources, and target them to implement the most important regional projects.

RIE's role in the region's economic development strategies

RIE will facilitate (and in some cases, implement) regional and state economic development priorities and actions by delivering infrastructure projects that support regional economic growth. It is designed to supplement and coordinate, rather than compete with, the host of regional economic development strategies, chambers of commerce, and industry groups focused on job creation and retention in the region. By Phase 2, RIE will deploy new public resources that will support our region's most important projects while leaving project ownership with partner organizations or jurisdictions. In all cases, RIE's governance structure ensures that local priorities are protected.

The Portland metropolitan region's economic development strategies all have similar goals: more living wage jobs, more jobs in traded sectors or specific economic clusters, and increased wealth and economic well-being. These goals clearly align with the goal of RIE. The strategies specify a range of actions to achieve these goals, such as: recruitment and retention of firms that provide living wage jobs, investment in higher education and workforce training programs,

support for entrepreneurship and small businesses, support of green development and other environmental projects, and coordination of economic development efforts across the region. Most of the strategies also recognize that infrastructure is critical to regional competitiveness and job creation; it is quite literally the foundation on which an economy exists.

Comment [XXX3]: Cite in final version

In this context, the Business Plan for RIE lays out a clear set of criteria for project selection. These criteria will help ensure that regionally significant projects that lead to an economic development or job creation outcome are prioritized and funded in a coordinated approach.

Who else is operating in this space?

RIE is meant to supplement an existing project delivery system. Table X below identifies the major players, the role they play, and how RIE supplements their activities. The list is not comprehensive (there are more players than can be listed in one readable table), but is rather meant to provide some sense of RIE's role and how it can operate without creating redundancies.

Table X Name

Organization	Role	Why RIE adds value
Infrastructure Finance Authority	Statewide entity that helps communities deliver infrastructure projects, with a special focus on drinking water, wastewater systems, and industrial lands certification	RIE will Focus on the Portland region, and on a broader range of infrastructure needs; for certain types of projects, IFA will be a partner
Oregon/Regional Solutions	Designates projects of regional or state significance, deploys technical assistance, and advocates for public funding for projects	RIE can partner on projects to bring additional resources but will have a broader scope of projects that it will participate in
Development consultants	Market and feasibility analysis; due diligence on property acquisition	For projects in which RIE is a partner, it will be less expensive for jurisdictional partners; more comprehensive and consistent approach
West Coast Infrastructure Exchange	Information clearinghouse and standardization of practices across Oregon, Washington, and California	RIE may draw from Exchange resources, but focuses on Portland Metro region and applies to specific projects
Redevelopment Agencies	Fund infrastructure and redevelopment projects in urban renewal areas	RIE can invests in areas outside of urban renewal boundaries; bring new resources to support declining TIF resources inside the urban renewal boundaries
The Port of Portland	Industrial land readiness studies and activities, in coordination with local jurisdictions; key property owner	RIE can bring additional revenues to land readiness projects

Metro	Gap financing for Transit Oriented Development projects and limited technical assistance to local jurisdictions; key property owner; coordinates and prioritizes federal funding for regional transportation projects via the Joint Policy Advisory Committee on Transportation (JPACT)	RIE can expanded service to a larger number of projects
Developers	Due diligence on private development projects; in some cases, funding infrastructure development	RIE brings a more comprehensive approach that goes beyond individual projects; brings additional resources that support public outcomes

2. OUR APPROACH

Purpose and outcomes

The mission of the Regional Infrastructure Enterprise is to facilitate infrastructure investments that catalyze living-wage job creation, economic development, and private investment.

RIE mission deconstructed:

- “To facilitate” - RIE’s activities will accelerate and improve project implementation by providing technical and funding resources to projects.
- “Infrastructure investments” - RIE is meant to make investments in a wide variety of projects, including traditional infrastructure (e.g., pipes and pavement needed to make a site more appealing for investment by partners), land readiness (e.g., remediation, mitigation, aggregation or other investments needed to create shovel-ready land for new and expanding business), and development (co-develop sites with private and public partners to help achieve desired economic development goals)
- “Catalyze” - some investments RIE makes will lead directly to job creation, while others will generate indirect economic development and/or job creation by other partners or on adjacent properties by improving the attractiveness for private investors. Both are needed to grow a strong economy.
- “Living-wage job” - though RIE’s investments will contribute to the creation of many short-term jobs (especially in construction), RIE’s main focus should be investments that lead to the creation of sustained living-wage jobs. Over the long-run, RIE should measure its success partially by using the jobs and per-capita indicators established by the CII.
- “Economic development” - RIE is meant to help build out the infrastructure and development-related aspects of existing economic development strategies and organizations, such as those in the Comprehensive Economic Development Strategy, adopted by Greater Portland Inc., and the Oregon Business Plan, in ways that also support local development goals. Regional economic development strategies include actions that support clusters / traded-sector job growth as well as small business and

Comment [XXX4]: Add hyperlink to PEM section

entrepreneurship, but all would benefit from the implementation of additional infrastructure in the region.

- “Private investment” - Fundamental to RIE’s approach will be making investments that leverage private investment as part of the development deal (co-investing in the redevelopment of a specific site) or that lay the foundation for future investments by the private sector. RIE will negotiate and structure public-private partnerships (PPPs) to maximize investment resources on key projects.

Expenditures to improve public infrastructure are investments. As with other types of investments, the public should expect a return on its investments in public infrastructure. That return can take many different forms, including quantitative measures such as higher tax revenues, improved housing, or more jobs. Other “returns” could include more-qualitative benefits, such as strong and livable communities. Although investing in infrastructure is expensive, the return on that investment directly improves the lives of the people who live and work in the region. Public investment is also necessary to make private investment possible and profitable, and private investment is what ultimately builds great communities.

Because the infrastructure problem in our region is broad, and the investment needs will always outpace the capacity to invest, RIE must focus on addressing a targeted component of the challenge in order to be effective. RIE will focus on infrastructure investments in centers, corridors, and industrial areas that have a clear nexus to job creation and economic development. If established as envisioned, RIE will serve as a mechanism for the region to make targeted and ongoing investments in merit-based projects. A mechanism of this kind does not currently exist. Though similar work is being done on individual projects, it is generally uncoordinated and unconnected to a larger strategy. RIE is meant to provide centralized technical assistance expertise and some funding for important projects to augment existing efforts.

Table X RIE at a glance

Comment [E5]: This table should be formatted to fit on one page

	<i>Phase 1: Demonstrate</i>	<i>Phase 2: Invest</i>	<i>Phase 3: Access private dollars</i>
When	September 2013 - December 2015 (estimated)	December 2015 until Phase 3 begins, date TBD	Unknown, but must be sequenced after Phase 2 successes have been achieved
Range of projects	Demonstration projects show the added value of RIE. Projects will be smaller in scale than those envisioned for Phase 2 while still achieving an economic development outcome and serving as a model for Phase 2.	Projects located in regionally designated centers, corridors, and industrial lands that have a clear nexus to job creation and/or economic development. A project package proposal will be created in Phase 1 for implementation in Phase 2. Package will include a set of larger complex infrastructure, development, or land readiness projects.	Same types of projects as in Phase 2 but with an additional focus on revenue-producing projects that can create financial return on investment for private investors.
Services	Technical assistance, including due diligence, feasibility and market analysis, regulatory and permitting assistance. Assistance with structuring PPPs, including coordinating partners, negotiating development agreements, and connecting private capital.	Same as in Phase 1 plus direct funding including patient capital, gap financing, and grants.	Same as in Phase 2, but with the addition of a direct investment arm that accesses private funds and invests in projects that can create a return.
Funding	Existing public funding sources and finance structuring to support the demonstration projects. The Port and Metro will provide staffing and incidental funding.	Stable, on-going public resources to support continue investments. Private investment in appropriate individual projects negotiated through development agreements.	Dedicated on-going public funding for appropriate projects, with the addition of private capital from a Phase 3 investment arm of RIE. Investment capital could include EB-5, retirement funds, a partnership with a CDFI, or other sources.
Governance	RIE Board of Directors: skills-based, six-person Board that includes a mix of Greater Portland Inc. (GPI), Port, and Metro nominees. The Board will also have non-voting liaisons to connect it to its sponsors and local governments.	Same as Phase 1 but with refinements based on lessons learned. There may be opportunities to add additional sponsors and adjust the nominating bodies accordingly.	Similar to Phase 2, but may include more private sector participation in the management and oversight related to RIE's private investment arm.
Staffing	To be provided by RIE's originating sponsors, the Port and Metro, which will provide project management and technical staffing, RIE executive management and administration, and consultants.	Expand staffing capacities to execute a larger, more complex set of projects to be included in the Phase 2 package, including highly skilled staff to structure and negotiate development deals and leverage private investment for specific projects.	With the expansion of RIE to include a direct private investment fund, add staff that can recruit and manage private capital.

Private sector role	Participate directly in governance of RIE via the Board of Directors; participate through PPPs, as appropriate, to help execute the demonstration projects.	Same as in Phase 2 but on more projects.	Phase 2 role plus direct investment in projects that produce a return.
Public sector role	Public agencies initiate and sponsor RIE (the Port and Metro); provide funding for Phase 1 components, including staff and incidentals.	Provide a public funding allocation to the RIE Board of Directors to execute Phase 2 project package while leveraging private investments in individual projects. Funding will be originated by a public agency.	Same as Phase 2.

The kinds of projects RIE will invest in

RIE will make investments in both traditional public infrastructure projects and in public private partnership projects. Table X below reflects the distinction between the two.

Table X Name

	Public Infrastructure Projects	Public-Private Partnership Projects
Incubation Projects	Projects that have a long-term outlook but are still at a conceptual stage and need full pre-development technical assistance from RIE to carry out market feasibility studies and due diligence. Evaluation of these projects will be based on more-conceptual information since projects will not yet be fully developed. Information generated through the pre-development process will be needed to decide whether the project will eventually be an Implementation Project.	Projects that will eventually be public-private partnership projects. Projects will need public assistance with early project development.
Implementation Projects	Projects that need patient public investments in infrastructure to get land shovel-ready; for example, investing in infrastructure needed to support development on an industrial site.	Public-private projects that are already fully developed, nearly ready to begin construction, and are seeking the final gap financing needed to complete the project. In this case, the project is fully developed and can be evaluated using more-complete information and with greater certainty and rigor than Incubation Projects.

The role of public private partnerships

For RIE to deliver on its mission, it will need to foster public-private partnerships (PPPs) that add value and resources to the delivery of projects. Research by the Brookings Institute describes PPPs as “contractual agreements between governments at all levels and the private sector to design, build, operate, maintain and/or finance infrastructure. Whether repairing, upgrading, or augmenting an existing asset or building new, the intent is to leverage private sector financial

Comment [m6]: We recognize the role of PPPs is important to the work of RIE. Staff will further articulate this in the Sept. version of the document.

resources and expertise, improve project delivery and to better share responsibilities and costs between the public and private **sector**.”

Comment [XXX7]: Cite at the end

The partners in a PPP, usually through a legally binding contract, agree to share responsibilities related to implementation and/or operation and management of an infrastructure project. This collaboration or partnership is built on the expertise of each partner and must clearly meet a defined public need through the appropriate allocation of resources, risks, and responsibilities.

Effective PPPs leverage the strengths of each partner in performing specific tasks. The public sector’s contribution to a PPP may take the form of capital for investment (available through tax revenue), a transfer of equity assets, or other commitments or in-kind contributions, such as staffing to support the partnership. The public agency also provides social responsibility, local knowledge, and an ability to mobilize political support. The private sector’s role in a PPP is to make use of its expertise in commerce, management, operations, and innovation to run the business efficiently. The private partner may also contribute investment capital, depending on the structure of the PPP.

Though their motivations for participating in PPPs are different, both the private and public sector have vested interests in ensuring an economically prosperous region. For the public sector, the goal is expansion of regional prosperity and improved access to living-wage jobs, increased social equity through the distribution of investments or the type of investment (i.e., affordable housing), and expanded capacity of citizens and businesses to pay taxes and fees needed to more broadly build needed infrastructure and deliver public services.

The private sector benefits from these same investments by gaining access to more infrastructure by which to develop, build, and move their products and services. Public investments that contribute to amenities and quality of life are appealing to businesses when they are looking to relocate. And as more public resources are generated and used to fund public education, the more talented the labor pool becomes for businesses.

Regardless of the circumstances, PPPs must acknowledge the need for each party to meet its own self interest. **The public investment must be at a level that is justified based on the public benefit being realized.** The benefit could be in the form of increased job opportunities for the population or increased taxes and fees paid by the business. The private investment must be based on making a sound business decision leading to a profitable venture and return.

It is important to emphasize here that PPPs are not a broad-stroke solution to the wider **infrastructure service problem facing our region. Rather, they are a viable project implementation mechanism for maximizing the resources and managing the risk associated with delivering projects.**

Who are the customers? *(sketch level text only)*

RIE will provide assistance and services to a variety of partners in the infrastructure development and management community:

- Municipalities, counties, agencies, and service districts

- Utilities and other service providers
- Private development companies
- Non-profit and community-based developers, financiers, and service providers

Comment [m8]: DG - [maybe the notion of the customer can be integrated with examples]

Approaches considered *(sketch level text only; needs completion)*

Many other options were evaluated in the process of developing the recommended model for RIE. Table X provides an overview. In this evaluation, CII kept firmly in focus the desire to avoid the creation of new layers of bureaucracy, to create an entity that can leverage both public and private resources, and to fit into an existing system of project delivery.

Table X Organizational options considered but not pursued

Type and description	Implications	Why not chosen for RIE
Investment bank for infrastructure model	<ul style="list-style-type: none"> • Performs on a financial ROI model • Relies on private investors to capitalize the fund • Requires private model of governance; little to no oversight by public bodies, including limited transparency requirements 	<ul style="list-style-type: none"> • Not all projects need in our region will generate a financial ROI, thus are not suitable for this model • Requires strong track record of performance before successfully attracting investors – RIE does not yet have this • Limited to no role for the public sector in determining investments or oversight. • More suitable for instances where privatization of assets is an option
Statutorily-enabled model Functions as a public corporation enacted by the State, similar to Oregon Health Sciences University.	<ul style="list-style-type: none"> • Requires vote of State legislature • Board reports to the State • Mandate defined by State • Authority allows flexibility and independence: <ul style="list-style-type: none"> ◦ Competitive compensation ◦ Contracting flexibility ◦ Project-based ◦ Financing flexibility ◦ Scalability • Could be tied directly to State funding 	<ul style="list-style-type: none"> • Focus needs to be on regional needs and the connection to the State could deter from that • State funding could be inadequate or unavailable • Passage of legislative package would be complex. Requires substantial resources and time to implement • Changes in legislature and State budgets could affect the stability of a new entity • Potential for conflicts between locally-identified needs and financing strategies.
Procurement-based model Utilizes a modified version of the Design-Build-Maintain model of procurement, which is used in British Columbia by	<ul style="list-style-type: none"> • Requires a mandate or incentive for local jurisdictions to participate • Entity has more flexibility and authority to act as owner's representative on projects • Increased private sector participation in the infrastructure delivery process • Accounts for the life-cycle costs of projects from the onset 	<ul style="list-style-type: none"> • More appropriate at State level for economies of scale; currently being considered at State level • Fee-for-service model • Requires participants to already have financial resources for project implementation; because life-cycle costs are accounted, up-front costs are greater

Partnerships B.C.	<ul style="list-style-type: none"> • Leverages private sector creativity and innovation to the design, build and maintenance of projects • Long-term cost savings to local projects sponsors • ROI for private partner determined by performance-based management 	<ul style="list-style-type: none"> • Local project sponsors may not trust or resist the level of entity control over each projects
New taxing district Functions as a “regional special district” or “regional service district” with new legislation similar to ORS 198/ORS 451; purpose would be to fund infrastructure	<ul style="list-style-type: none"> • Requires vote of State legislature • If successful, creates funding mechanism at same time as creating district • Authority to impose assessments against properties and issue bonds • Stable funding source. • Authorities and functions as set in the legislation; could include some contracting flexibility 	<ul style="list-style-type: none"> • Addresses the funding problem but not the need for regionally centralized technical expertise to support projects • Requires substantial resources and time to be implemented • Opposition from existing service districts based on concerns around compression
Independent non-governmental entity Functions as mutual benefit corporation platform organization (or non-profit); has the ability to create project or program-specific subsidiaries that fulfill its mission. A mutual benefit corporation is a non-shareholder, taxable entity.	<ul style="list-style-type: none"> • Formed as a “parent” organization with subsidiaries that take on specific projects or programs and operate a separate legal entities • Parent determines operating structure for Subsidiary • Careful work is needed to develop bylaws and charter • Board not controlled by municipalities or state; a private corporation • “Goodwill” funding model where partners fund programs and operations • Transparency at lower levels than public model • Contracting rules determined on a project by project basis 	<ul style="list-style-type: none"> • Operations funded from contributions, contracts, fees, grants; funding not as stable as in other sources • Stakeholder reluctance about lack of public control and issues of transparency • Public perception private entities with a public “purpose” can look like a “give away” of tax dollars • Lack of statutory authority eliminates direct municipal funding and bonding authority

Overview of phased approach

Creating a new entity that can undertake a challenge of this proportion will require significant effort and support from many parties. The CII recognizes that more analysis and conversations will be needed to ensure a successful transition to full operations. To address this reality, RIE will be implemented in a phased approach that allows it to establish a track record of success and demonstrate its value in an early phase, before transitioning to an independently financed entity in later phases. Nobody wants a new large bureaucracy, and this phased approach allows RIE to develop in a nimble manner that can respond to opportunities as they arise. By leveraging existing capacities and expertise, RIE will be a more efficient way to provide assistance to projects. Implementation will occur in three phases:

- In Phase 1, roughly September 2013 to December 2015, RIE's primary activities will center on securing a successful transition to Phase 2. Those activities include selecting and successfully implementing a series of demonstration projects in industrial areas and in centers and corridors, developing a project package for Phase 2 and an associated funding strategy, solidifying the Phase 2 business model and governance structure, and continuing conversations with stakeholders to ensure success.
- In Phase 2, which begins around December 2015, RIE will need to work with regional partners to identify and access a secure, on-going public funding source (or sources) to implement an initial package of regionally significant infrastructure projects. After execution of this package, RIE will continue to invest in additional projects that meet its criteria for (1) economic development and job creation; and (2) equity, community development, and innovation outcomes. RIE will become a full-fledged player in the regional infrastructure delivery system, coordinating with other public and private investors to ensure smart investments in our region's economy.
- In Phase 3, a longer-term effort, RIE will evolve into an entity that can more directly access private funds to invest in public infrastructure. This phase is an important goal for RIE and could be characterized by the development of an investment arm of RIE that could tap into retirement or sovereign funds or programs like EB-5. The Business Plan describes the practical, legal, and financial questions that will need to be answered before this phase can be implemented, and describes the decision-making structure for answering those questions.

Table X Overview of the Phased Approach

Phase 1	Phase 2	Phase 3
Demonstrate ability to deliver projects <ul style="list-style-type: none"> • Establish governance • Deliver 1-3 demonstration projects with existing funds • Refine Phase2 business model • Develop Phase 2 project and funding proposal 	Work with regional partners to identify and secure on-going public funding for investments <ul style="list-style-type: none"> • Implement a regional project package • Leverage public funds to access other public and private funds • Evaluate, recommend, and invest in projects beyond the initial package 	Complete public-private investment program <ul style="list-style-type: none"> • Establish an investment banking arm to directly utilize private capital

Critical activity by phase

PHASE 1 Critical activity

1. **Establish governance for RIE.** Create the RIE Board of Directors (a framework for the selection and composition of the Board can be found starting on page xx)
2. **Facilitate successful completion of demonstration projects.** The RIE Board of Directors will facilitate the successful completion of the Phase 1 demonstration projects with existing funds. This will include using its collective expertise to bring resources to the demonstration projects:
 - a. Connecting private investment to projects as appropriate (creating PPP)
 - b. Pursuing existing public and non-profit funds to support the projects (MTIP, foundation grants, TOD, etc.)
3. **Facilitate development of a strategic economic development project package for implementation in Phase 2.** Development of such a package will require thoughtful collaboration with the business community, local jurisdictions, and community leaders.
(Add something more about the project package here)
4. **Facilitate development of public funding strategy for Phase 2 implementation.** In Phase 2, private capital will come to projects through project-specific financing, not through RIE itself. As such, RIE will need to create a strategy, with regional partners, to access ongoing public resources with which to execute the Phase 2 project package and make continued investments. The funding strategy should:
 - a. Be diverse and not rely too heavily on any one single source. RIE should pursue a variety of state, federal, and non-profit sources, as well as new public revenues.
 - b. Have a clear understanding of the opportunities for structuring PPPs around individual project in the Phase 2 project package.
5. **Recommend refinements to the Phase 2 RIE business model.** Based on the lessons learned from the demonstration projects and development of the Phase 2 project package, the RIE Board of Directors will recommend business model refinements to the Port and Metro related to:
 - c. Operations and program elements of RIE (i.e. - what changes in service delivery model are needed? What refinements are needed to the project evaluation framework?)
 - d. Governance of RIE (i.e. – how will the responsibilities of the Board of Directors change in Phase 2? Are all the skills needed properly reflected on the Board?)
 - e. Staffing of RIE (i.e. – are the existing staff and expertise levels sufficient to execute the Phase 2 project package? What changes would be needed?)

These recommendations may result in Phase 2 changes to the IGA structuring RIE.

6. **Establish a third party periodic review system, to function throughout all phases, to ensure RIE is meeting its mission and fiscal responsibilities.**

PHASE 2 Critical activity

Phase 2 activity and deliverables will be informed by the outcomes of Phase 1. As part of the Phase 1 work, the Board of Directors will propose a more detailed set of responsibilities and work plan for Phase 2.

The following are the fundamental activities that are currently envisioned for Phase 2:

1. **Implement a regional project package.** Assuming that the public supports funding for Phase 2 projects, RIE will be responsible for successfully executing the Phase 2 project package in collaboration with the local government partners. This work will include structuring PPPs around specific projects from the package *as appropriate*.
2. **Select, recommend and sequence projects for investment.** Assuming ongoing dedicated funding is attained, the RIE Board of Directors will be responsible for evaluating, recommending and sequencing project projects beyond the Phase 2 package (a framework for this evaluation is on page XX and proposed criteria are in Attachment X).
3. **Fiduciary accountability within budgets allocated by the sponsoring public agencies.** As RIE is allocated resources to execute projects, it will be accountable for the responsible management of those public resources to effectively meet the RIE mission.
4. **Other responsibilities as recommended by the Phase 1 Board of Directors and outlined in the ORS 190 agreement that creates RIE.**

PHASE 3 Critical activity

A differentiating characteristic of Phase 3 is for RIE to gain direct access to private resources for investment. This will require developing an investment arm for RIE that can be directly used to make investments that can garner the rate of ROI expected from investors. Resources could include EB-5, pension funds, or other sovereign investment funds. These resources are not suitable for capitalizing RIE in Phase 2 due to the fiscal returns and guarantees associated with them.

Before Phase 3 can be implemented, the Board of Directors in Phase 2 will need to conduct a comprehensive due diligence analysis on the risks and opportunities associated with this shift and what additional changes to the business model are needed to be successful (operations, governance, services, etc.).

3. RIE SERVICES AND PROJECTS BY PHASE

General Services

RIE's fundamental role is to improve system coordination and provide more resources to finance the projects that are most critical to our region's economic development goals. RIE will supplement and coordinate, rather than replace, components of the existing infrastructure finance system. Table X summarizes the services RIE will need to provide throughout all of its phases in order to effectively support projects. Additional functions for RIE may be identified and added to RIE repertoire if they are deemed necessary to effectively support projects.

Table X General RIE functions and services

Predevelopment technical assistance	Public-private partnerships assistance	Funding
<ul style="list-style-type: none">• Due diligence• Feasibility and market analysis• Regulatory and permitting assistance	<ul style="list-style-type: none">• Coordinate among partners• Negotiate development agreements• Connect private capital	<ul style="list-style-type: none">• Direct or patient capital• Grants

Projects by Phase

Phase 1: Demonstration projects

In Phase 1, roughly September of 2013 to December of 2015, RIE's primary objectives are to demonstrate an ability to deliver projects, refine the RIE business model for Phase 2, and build credibility with community, business, and elected leaders. To accomplish these objectives and create a track record of success, the CII recommends that RIE select and implement a series of demonstration projects in Phase 1. Those demonstration projects must balance two outcomes: (1) they must be visible to a range of regional leadership, align with RIE goals, and prove the value of RIE to regional project delivery; and (2) given that RIE brings no new financial resources to the table, they must be of a scale that can be delivered with existing resources.

Outcome 1: Visibility and alignment. The demonstration projects align with RIE goals for job creation and economic development and public-private partnership, are visible and have community support, are community or area catalysts for additional private investment, and build support for Phase 2.

Outcome 2: Practical and implementable. The recommended demonstration projects are (or are close to) market viability, can be implemented with existing resources and achieve success by Phase 2 initiation, and prove a model for success in Phase 2.

The following table describes the recommended demonstration project. A second tier of possible projects, together with more details on each of these projects and RIE's role, is also included in the longer recommendation contained in Attachment X.

Comment [m9]: We will include additional information about what resources it will take to complete the projects and what actions are needed to move them forward in the September draft, after more vetting.

Project area: Industrial	Why selected?	RIE role
North Hillsboro Industrial Area - phased financing/infrastructure plan for several key industrial land sites with various infrastructure and financing needs.	From a regional perspective, this 1,000+ acre area will be vital to the region's economic development objectives, given its close proximity to major high-tech employers.	Helping to develop a phased financing/infrastructure plan and to identify financial resources and partners at the regional and state levels.
Gresham Vista Business Park - Eco-Industrial Infrastructure improvements	Would create a model for sustainable, integrated industrial development. Partnerships in place, could catalyze additional investments.	Technical assistance and coordination of resources. Grant writing.
TRIP Phase 2 Mitigation/Fill	TRIP Phase 2 mitigation/fill is the top industrial land project for the Port. SB 246 funding for site reimbursement is likely to be reimbursement only (with a longer term goal of getting loan funding) so near-term funding assistance is needed.	Technical assistance; coordination of funding sources.

Project Area: Centers and Corridors	Why selected	RIE role
St. Johns: The Central Hotel, BES property at 8735 N Lombard, PBOT slip lane improvements and associated redevelopment	Several major opportunity sites are currently ripe for redevelopment. The area has seen some redevelopment and public sector support, but several critical projects are stuck.	Coordinate and package resources from BES, PBOT, private developers, and possibly PDC NMTC, EB-5, and historic tax credits might all be applicable, as well as public funds for infrastructure improvements at key intersections and a public plaza.
Milwaukie: Dark Horse Comics Relocation; pedestrian connectivity improvement	Significant site in Milwaukie's business district that leverages regional investment in light rail line. Connectivity and other public improvements are also needed.	Coordination, staff support. Package resources from a variety of public and private funding sources.
Tigard: Downtown Tigard mixed-use development projects	Opportunity to coordinate two development opportunities/public private partnerships. City owned 3 acre site, and 3.2 acre site to be acquired by developer.	Coordinate and package resources. Structure public - private partnership.

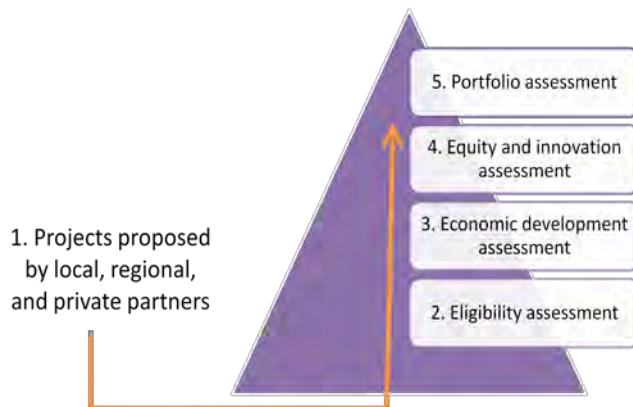
Oregon City: Infill sites in downtown core	Area contains one of the most significant redevelopment sites in the region: the Willamette Falls site, which is currently the target of a major planning effort and could be an excellent Phase 2 RIE candidate. Smaller opportunities in the downtown core could be nearer-term targets. Market fundamentals of the downtown appear strong.	Urban renewal staff support and technical assistance. Coordinate and package resources, including urban renewal. Structure public - private partnership.
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Phase 2: Evaluation of ongoing investments *(sketch-level text only)*

In addition to the initial project package RIE will execute in Phase 2 (described on pg XX of this business plan), RIE needs a process to evaluate and select ongoing projects for investment. The goal of RIE's Phase 2 evaluation process should be to reward and incent projects that achieve multiple outcomes while not creating an overly arduous to process for participants. The following recommends an evaluation process and criteria (the criterion is listed in attachment X on pg XX) which the Board of Directors can build upon. The RIE Board of Directors, and its sponsors, will have the ultimate responsibility for formalizing the process of evaluation and criteria, including the development of a weighting or ranking system.

Phase 2: Evaluation of investments

The following evaluation process reflects how projects come to RIE and has four assessment steps: Eligibility, Economic Development, Equity and Innovation, and Portfolio. Infrastructure needs will always outpace RIE's capacity to deliver assistance. As such, this process would narrow the pool of options at each step to identify those projects with the most opportunity and fit within RIE's resource capacity.



1. **How projects come to RIE.** Consistent with the principle that RIE will not make prioritization decisions for local communities, it is envisioned that RIE will accept applications from both public and private applicants interested in delivering projects in partnership with RIE.
2. **Eligibility Assessment.** This assessment has two sections: minimum requirements and additional information.
 - a. **Minimum requirements.** This section determines whether projects meet the minimum requirements, such as alignment with RIE mission, a distinct role for RIE, etc. Because these are minimum requirements, projects that don't meet this criterion will not move forward in the evaluation process.
 - b. **Additional Information.** This section allows for qualitative responses that paint a fuller picture for the evaluators regarding the project's additional benefits before diving deeper into the analysis. Questions in this section include listing the potential positive and negative equity impacts or benefits of the project, whether the project is in the *incubation* or *implementation* phase. There is no right or wrong answer for these questions. The answers simply add additional context to the project proposal.

The RIE should clearly communicate application expectations and parameters to minimize attrition at the Eligibility Assessment stage

3. **Economic Development Assessment.** The projects remaining after the Eligibility screening will be assessed for their ability to create jobs and economic activity for the region. Projects with the best ranking in this section will move onto the Equity and Innovation Assessment.
 - a. **General screening.** This screening measures a project's ability to create sustained living-wage jobs, advance regional economic development strategies and achieve positive ROI.
 - b. **Incubation project screening.** Because incubation projects have a longer-term outlook, the goal of this screening is to understand the status of a project's due diligence needs, including risks and mitigation strategies, and if such investment creates opportunities for job creation and economic development in the future.
 - c. **Implementation project screening.** Implementation projects should be nearer to actual development than the incubation projects. As such, this assessment focuses more on the leveraging, sourcing and procurement aspects of the project.
4. **Equity and Innovation Assessment.** In this assessment the projects that advance from the Economic Development Assessment are measured for their equity and innovation potential. Applicants will need to detail such things as their project's impact on social, economic, political and geographic disparities, the use of innovation in the projects, and impacts on immediate surrounding communities. The result of this assessment will be a ranked list of projects prioritized by their ability to deliver equity and innovation outcomes.
5. **Portfolio Assessment for Final Project Selection.** In the final assessment, the RIE Board of Directors will use the results of the Economic Development and Equity and Innovation Assessments to select a final set of projects that best contribute to the CII's mission given the

RIE's available capacity. The outcome of the process is a portfolio of projects that, taken as a whole, will accomplish economic development goals while delivering equity and environmental benefits to the region.

- a. Balance immediate quantifiable economic benefits with equity benefits
- b. Balance investments in incubation projects against investment in implementation projects

Phase 3: Additional private investments

The evaluation process for Phase 3 should be similar; projects funded using private investment funds will have to be evaluated based on the criteria provided to you by the investor. For project where public funds are used, an intentional approach to evaluating projects for equity, as laid out in the Phase 2 evaluation proposal, should be maintained.

Comment [m10]: DG - Do you need this section? We don't know much.

4. GOVERNANCE BY PHASE

General approach and principles

The Regional Infrastructure Enterprise (RIE) needs strong leadership to execute Phase 1 and to successfully enter Phase 2. The governance needs for these phases are distinct and have different responsibilities. Phase 1 is focused on start-up and real-time design of RIE using existing resources. This includes testing the concept through demonstration projects, refining the RIE business model, conducting feasibility for phase 2, and developing a Phase 2 project package. Phase 2 will be centered on project execution but will need leadership focused on the long-term management and oversight of investments.

Guiding Principles

The CII has outlined general guiding principles to govern RIE. These principles should serve as the beacon to guide RIE sponsors in establishing the entity and its Board of Directors.

1. **Accountable for delivering on its mission.** The Board should seek an independent review of its accomplishments using the following framework:
 - a. Level 1 – Successfully implementing its assigned work program.
 - b. Level 2 – Each project should be evaluated upon completion to ensure it delivers upon its promises identified through the evaluation and selection process.
 - c. Level 3 – Selected regional outcomes should be monitored to ensure that the portfolio of projects is having the desired regional impact as outlined by the CII Tier 3 indicators, which include living-wage jobs, per capita income, and poverty rates.
2. **Make decisions on technical merits.** Projects should be selected for implementation based upon their technical merits and ability to demonstrate the greatest regional benefit related to job creation and economic development. Decisions should be supported by a strong technical analysis by the staff guided by strong technical and financial expertise on the Board of Directors.

3. **Have the expertise necessary to make sound investments.** The Board of Directors should include the expertise needed to evaluate projects on their merits and structure public-private partnerships, including private development and financing, economic development, public development and infrastructure delivery, traded sector corporate sitting experience, policy making or governance, marketing and public relations, and legal expertise (development, finance, governmental, or organizational design).
4. **Mixed appointed governance is important.** A public-private model holds the greatest credibility with the public. The public sector is essential for voter accountability and the private sector is necessary for expertise. The appointed Board of Directors should be a mix of individuals from the private and the public private sectors.
5. **Acknowledge and account for different forms of return on investment.** Investments made through RIE must take into account and acknowledge the explicit return requirements of its partners. For private investment partners this return will be financial. For public partners, some returns may be financial but may also include a clearly defined public benefit that is not directly financial in nature.
6. **Responsibility for accountability and transparency.** Though RIE will be responsible for selecting and implementing projects, it will *not* have authority to levy taxes or impose fees. Any resources allocated to the Board of Directors for investment must be appropriated by a public body or bodies and are subject to public transparency and accountability requirements, including meeting rules and records standards.
7. **Implementing regional or local prioritization.** The RIE should draw upon priorities brought forward by local governments and the private sector that are consistent with regional and local policies that best meet the selection criteria established for RIE. The Board should not substitute its judgment for that of local and regional governing and economic development bodies.

Board of directors characteristics and attributes

The mission of the Board of Directors is to effectively guide RIE's investments and operations toward catalyzing living-wage job creation, economic development and private investment. As the Guiding Principles outline, it is critical that the Board of Directors have the skills and expertise necessary to not only support complex projects, but also manage and guide the entity toward successful entry into Phase 2. In addition to these formal skills, the Board must also reflect several important informal attributes to aid it in effectively engaging with community leaders and local governments. It is not intended that each Board member embody every skill and attribute, but rather that, on the whole, the Board reflects them.

Formal Skills (in no particular order):

- Private capital and equity financing
- Economic development
- Development and infrastructure delivery

- Traded sector corporate siting
- Policy making or governance
- Marketing and public relations
- Legal expertise (development, finance, governmental, or organizational design)
- Expertise in negotiating complex projects involving the public and private sectors

Informal Attributes (in no particular order):

- Diversity (ethnic, gender, and geo-political)
- Gravitas and a trustworthy reputation
- Civic leadership
- Constructive and collaborative work style
- Regional thinking, above parochialism
- Not representative of an interest
- Bold and entrepreneurial spirit

The Board as whole should represent this complete set of skills and attributes **throughout all phases of RIE.**

Governance and composition by phase

As two agencies with regional scopes, Metro and the Port are best positioned to provide RIE with the capabilities, expertise, and resources needed to successfully launch. As the legal sponsors of RIE via an IGA, both parties should play a role in establishing RIE's Board of Directors.

Greater Portland Inc. (GPI), with its responsibilities related to the federally designated Comprehensive Economic Development Strategy (CEDs), and as the region's public-private economic development partnership, should also play role. To be effective RIE must have a strong connection to key economic development strategies so as to coordinate and sequence investments in way that support those strategies. Creating a more formal role for GPI related to the Board would ensure this connection.

Phase 1: Governance composition and implications

The Phase 1 Board of Directors is proposed as **seven appointed voting members** that meet the required skills and attributes and **three non-voting appointed Liaisons**. All member nominations, voting and non-voting, are made by the Port, Metro, and GPI. Port and Metro nominations of voting members to the Board of Directors are not envisioned as members the Port Commission or of the Metro Council. Greater Portland Inc. may nominate any individual that meets the requirements, including someone from their Board.

The role of the Liaisons is to promote transparency and create connection to the sponsors. Metro and the Port should each appoint one individual from their agencies to serve as Liaisons. The Port, Metro, and GPI should also nominate one member of the Metro Policy Advisory Committee

(MPAC) to serve as a Liaison. The role of the MPAC Liaison is to provide better connection to the infrastructure related issues local governments are facing and to keep MPAC informed on the progress of RIE toward its mission.

All nominations are confirmed by a joint decision of the Port Commission and Metro Council. Terms of service for all voting and non-voting members still need to be assessed and should be articulated in the IGA adopted to create RIE.

Phase 2: Governance composition and implications

The governance model is not expected to change much between Phases 1 and 2, though more voting members could be added to the Board in Phase 2. Currently, it proposed that nomination of Board members and Liaisons should continue to be made by some combination of the Port, Metro, Greater Portland Inc. Refinements to the governing model may be needed in Phase 2 to adjust for lessons learned in Phase 1. This may include changes to the nominating bodies or adding other sponsors to the inter IGA that organizes RIE. If the IGA is amended to include another sponsor in addition to the Port and Metro, this partner could expect nomination and confirmation rights for the RIE Board Directors.

Phase 3: Governance composition and implications

The key distinction for RIE in Phase 3 is gaining direct access to private investment funds such as EB-5, retirement funds, or partnering with a CDFI. With this change, it is likely that the governance structure for RIE will need to be revisited to include more stringent private sector participation in the management and oversight of investments.

5. FINANCE AND RESOURCES BY PHASE

Phase 1: Finance and resources *(sketch-level text only; Attachment X will provide details)*

Having a viable staffing and funding plan is important to the successful execution of Phase 1. Phase 1 staff, together with the Board of Directors, will be largely responsible for the successful transition to Phase 2. The resources provided for Phase 1 include:

- Staff to develop the projects, including pursue funding and coordinate and manage technical assistance delivery in partnership with the developer and local jurisdictional partner. For this task, the following resources will be available:
 - One position in Metro's Development Center to manage projects in centers and corridors, in partnership with the developer and local jurisdictional partner
 - One position in Metro's Planning Department to support industrial lands work led by the Port
 - Port staff, to be assigned
- Board management and administrative support, including a staff person to coordinate resources, interface with the RIE Board of Directors and sponsors, and conduct public relations. In addition, the RIE governing body will need basic administrative support

(clerical and logistical) to complete its Phase 1 duties. Metro’s budget currently holds two positions in the CII sponsorship that could, in part, be used to support these needs.

- Strategic policy support to help the Board of Directors develop the Phase 2 project and funding package. This work will entail considerable local government engagement to build enough consensus around a set of projects.

Beyond the costs associated with staffing, Phase 1 will require resources to build or develop the actual demonstration projects. Phase 1 brings no new funding resources. Public funding for these projects will be pursued through existing channels, including sources such as MSTIP, STIP, TOD, systems development charges, urban renewal and tax increment finance, capital funds available through partner jurisdictions, grant sources, and state funds (where applicable). Some private resources, such as local improvement districts or direct developer contributions, may also be considered for applicable projects. Additionally, where possible, private resources should be connected to the projects through the negotiation and structuring of public-private partnerships, which tie public sector investments in infrastructure directly to a parallel private investment in development.

Comment [m11]: The September version will include project profiles that will identify the existing resources that may be applicable to each project.

At this point, RIE is not anticipated to charge fees for its services in Phase 1.

Phase 2: Finance and resources *(sketch-level text only; Attachment X will provide details)*

In many (perhaps most) cases, the research about systemic regional project delivery gaps conducted to support this Business Plan illustrated that the largest need is additional funding. A key measure of success for transitioning to Phase 2 is access to a stable, ongoing source or sources of public funding to supplement the existing, project-specific funding sources that will be accessed for project delivery during Phase 1.

The need for project delivery is large (\$13 - \$20 billion in unmet gap through 2035). At the same time, most revenue options are already at, or close to, their limits or are unavailable or preempted for use. While RIE is not meant to fill this entire funding gap, at this time, all possible sources of public funding must remain on the table for consideration. In Phase 1, the RIE Board of Directors will undertake further analysis and conduct additional outreach to determine which of these sources is most appropriate for RIE’s purpose in Phase 2.

In part, which source to use will depend on the package of projects that is selected, as will the amount of funding needed to address project needs. The questions of which projects to implement and which funding sources to use must be answered together as a key product of Phase 1. Specifically, the following questions should be considered when determining a funding strategy:

1. Equity considerations: Does the source have a fair nexus between who pays and who benefits?
2. Sufficiency of funding source:

- a. Given ongoing staffing costs, as determined in Phase 1, and the need for additional capital budget to increase capacity to deliver the project package as well as ongoing projects, how much revenue is needed?
 - b. Can the source provide that capacity? Is a combination of sources needed?
3. Is the source available as a one-time allocation or as a revenue stream over time? How stable is the source?
4. What can be done to overcome the political challenges of accessing the source?

Identifying and selecting a new public financial resource will require the input of elected leadership, the business community, and the citizens of the region. Many potential funding sources would not be directly controlled by RIE, requiring partnerships with taxing jurisdictions or other entities in project delivery. Further, many potential public funding sources would require voter approval or statutory changes, requiring significant outreach and communication around the region. In short, no funding source is available to RIE without more conversations with stakeholders, legal review, and research into feasibility.

The Phase 1 Board of Directors will recommend refinements to the Phase 2 business model which may or may not include an assessment of a fee structure for Phase 2.

Phase 3: Finance and resources *(sketch-level text only; Attachment X will provide details)*

In Phase 3, RIE will find ways to more directly attract private resources to infrastructure projects. At this point in the business planning cycle, Phase 3 financial sources and functions remain largely unknown and have not been thoroughly explored; further work would be undertaken in Phases 1 and 2 to provide further direction and to evaluate the need for direct financial investment.

Fundamentally, private money seeks a return on its investment, and will be most appropriate for economic development and infrastructure projects that generate the revenues that create that return. This implies that, in Phase 3, RIE would be focused on funding different types of projects: power and electrical projects, toll roads, and water or wastewater projects are examples.

Preliminarily, a number of sources are possibilities:

- RIE could become an EB-5 Regional Center, investing more directly in businesses and development, as well as in the infrastructure that supports it
- RIE could access public or private pension funds, foreign investment, or other investment entity funds

Depending on the source and structure, RIE may charge for some services in Phase 3.

Comment [m12]: DG - Can you be more direct in the discussion of P2 financing? It seems based on a dedicated source to fund a set of worthy projects. It would be 10s of 100s of million dollars? I like the list of possible sources. Do you have an analogy that would help?

6. MEASURING SUCCESS *(sketch-level text only)*

The CII recommends incorporating the CII Performance Indicators into regular tracking and measuring of RIE's progress toward achievement of its mission. This framework includes a three-tiered approach:

- **Tier 1** Tracking progress toward implementation of RIE's assigned work program. At this level, the goal is to assess whether RIE is effectively executing the work program for which it is responsible, including meeting key milestones and deliverables.
- **Tier 2** Outcomes of individual investments. The tier 2 level, the goal is to assess whether individual investments made by RIE have produced the benefits pledged in the application process. The project evaluation criteria should serve a measure to assess this.
- **Tier 3** Progress toward regional outcomes. The tier 3 indicators, base on the Oregon Business Plan indicators, track regional economic health and equity that RIE will contribute to, but is not solely responsible for; many other factors will play a role. These indicators are: decreasing the poverty line below 10%, the creation of 12,500 new jobs, and a per capita income that is at 110% of the US metro average. Table X below reflects the metrics and the goals associated with them.

Embedded in this framework is the understanding that equity is an important indicator of regional economic health. RIE must demonstrate its value to earn the trust and support of the region's residents. All investments have impacts, good and bad. RIE should seek to make investments that advance economic goals, support equitable outcomes by improving how the benefits of investments are shared across the region, and mitigating and/or minimizing negative impacts on communities.

Table X Name

Tier 3 Indicator	Baseline	Goal
Living Wage Jobs	13,751 number of living wage jobs were created in 2010	12,500 new living wage jobs per year
Per Capita Income	Portland MSA was 96% of US Metro Average in 2010 (GPP)	Per capita income is 110% of US Metro average
Poverty Rate	13.4% percent of individuals in Portland MSA were in Poverty in 2010	Poverty Rate is below 10%

7. BARRIERS, RISKS AND MITIGATION STRATEGIES *(sketch-level text only)*

The two biggest risks to successful implementation of RIE, and steps to take to mitigate those risks, are:

1. Staff and financial capacity to deliver demonstration projects in Phase I, limiting RIE's ability to successfully transition to Phase 2 on a track record of success. To address this risk, it is critical that Phase 1 staff have the financial, project management, and political skills necessary to successfully deliver demonstration projects.
2. Failure to access a public funding source to deliver a project package in Phase 2. There are a number of approaches to reducing this risk, all of which should be goals: (1) successful implementation of Phase 1 demonstration projects, (2) strong outreach in determining an appropriate funding source(s) and in all Phase 1 activities, (3) selection of a package of projects that reflect regional priorities and generate enthusiasm for implementation.

8. STEPS FOR IMPLEMENTATION *(sketch-level text only)*

Decisions or actions needed for implementation

The CII has been considering the best approach to implement RIE for the last year. Though this Business Plan lays out a proposal, it will be up to other partners to take the actions necessary to fully realize this concept. The table below lists the actions necessary for RIE to successfully enter and complete its Phase 1 work.

Table X Decisions and actions needed for implementation of Phase 1

Decision or action	Acting parties
Release draft RIE Business Plan for vetting.	CII Leadership Council
Vet the draft RIE Business Plan with critical implementation partners and key stakeholders. The goal of the vetting process is to identify potential amendments and refinements to the Plan and to build support. Vetting should include presentations and discussions with business association, local governments, community groups and Metro and the Port and the proposed sponsors. Determine whether the RIE sponsors should approve the Phase 1 demonstration projects in the Sep./Oct. 2013 timeframe or to delegate this to the RIE Board Directors after it is established in spring 2014.	CII Leadership Council, RIE Implementation Group members
Adoption of the RIE Business Plan, with amendments.	CII Leadership Council
Consideration of an IGA forming RIE – The Port and Metro consider whether to act upon the CII’s recommendation and create RIE via an ORS 190 agreement.	Metro, Port, Greater Portland Inc.
Nomination of RIE Board members – If the Port and Metro choose to establish RIE, they should begin the process of selecting Board members.	Metro, Port, Greater Portland Inc., MPAC
Due diligence and development of pilot projects. Regardless of when the demonstration is selected (in Sep. 2013 or spring 2014), the Port and Metro should begin the technical analysis of demonstration projects (either those approved or the candidates recommended in Business Plan).	Local government project sponsors, RIE Board of Directors, Port, Metro
Form RIE by Joint Resolution of the Port and Metro. This resolution would approve the ORS 190 agreement, including: <ul style="list-style-type: none"> • appoint of Board members • establish of Board officers • operating practices • work plan 	Port, Metro, Greater Portland Inc.
RIE Board of Directors review and select Phase 1 demonstration projects (if not already selected in Sep. 2013)	RIE Board of Directors
Ratification, by the Port and Metro, of the RIE Board of Directors selection of demonstration projects (if not already selected in Sep. 2013)	The Port, Metro, RIE Board of Directors
Development of the Phase 2 project package and funding proposal	RIE Board of Directors
Public outreach and consideration of the Phase 2 project and funding package	Metro, Port, Greater Portland Inc., local jurisdictions
Assess needed refinements to the Phase 2 RIE business model and amendments to the ORS 190	RIE Board of Directors
Consideration of needed refinements and amendments for the Phase 2 RIE business model	Port, Metro, Greater Portland Inc., other potential sponsors to RIE

The Community Investment Initiative's role in RIE

With no formal authority to act, the CII understands that strategies and concepts developed by our Initiative must be transferred to formal bodies for implementation and long-term management. RIE is no exception. After the RIE is established, formal decisions regarding RIE will be made by the RIE Board of Directors, the Port and Metro. However, as originators of the Regional Infrastructure Enterprise concept and authors of this Business Plan, we still add value to ongoing RIE development by:

- Serving in an advisory capacity to the RIE Board of Directors, Port, and Metro on work elements of Phase 1. Specifically, the CII brings private sector perspective to the development of demonstration projects and the Phase 2 project and funding package.
- Supporting the use of the CII's Performance Indicators to track and document progress toward achievement of the RIE mission.
- Advocating in the region for the creation of RIE and implementation of the actions listed in this Business Plan.

9. Attachments

Comment [E13]: The full set of attachments will be available for the September version of the Plan.

Attachment and exhibit guide

Attachment A1	Industry and needs research and background This attachment provides summaries of focus groups with mayors, the results of the catalytic infrastructure survey, and other research regarding the need for RIE in our region.
Attachment A2	Background, Phase 1 demonstration projects This attachment describes the process of evaluating and selecting the demonstration projects, and provide details on the selected projects.
Attachment A3	Background, ongoing project selection This attachment describes the project evaluation process as well as criteria.
Attachment A4	Supporting materials, options for funding This attachment provides additional research and context regarding discussion the CII has had regarding funding, as well as background research regarding the possible funding sources that might be accessed in each of the Phases.
Attachment A5	What are public-private partnerships This attachment defines public private partnerships as a cornerstone of RIE's purpose, and describe theory and practice regarding application of these partnerships.
Attachment A6	Risk and mitigation strategies This attachment describes the risks to RIE's success and the strategies that should be undertaken to overcome those risks.

DRAFT



COMMUNITY INVESTMENT
initiative

2013

Annual Report

LEADERSHIP COUNCIL

Michael Alexander

Urban League of Portland

Thomas Aschenbrener

*Impact Philanthropy for
Progressive Thinkers*

Craig Boretz

Con-way, Inc.

John Branam

Community leader

Tom Brian

*Former Washington
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Colas Construction, Inc.

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Carl Talton

Portland Family of Funds

Joanne Truesdell

*Clackamas Community
College*

Peter Watts

Jordan Ramis PC

Karen Williams

*Carroll Community
Investments, LLC*

Bill Wyatt

Port of Portland

As of June 2013

** CII Leadership Council co-chair*

THANK YOU PARTNERS

Regional Infrastructure Enterprise

*Elected officials, RIE focus group
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John Carroll, Carroll Community Investments
Carlotta Collette, Metro Councilor
Jillian Detweiler, TriMet
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Development-Ready Communities

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Performance and Equity Measurement

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Adam Stewart, Hillsboro School District
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The challenge

We are fortunate to live in great place. The Portland metropolitan region is a popular place to live and work, partly due to its extraordinary landscape and natural heritage, but also because of our dedication to planning for the future. We have been intentional about how and where we invest for tomorrow.

These investments are the foundation upon which our economy and quality of life are built. Traded sector industries utilize our marine and airport facilities to reach distant markets, workers take our extensive transit network to access jobs, and high-tech companies make use of our abundant water and energy resources to grow. We have preserved farm and forestland and kept nature close to our communities.

But over the last two decades, the quality of life that attracts people and business to the Portland metropolitan region has been slowly declining due to lack of investment. Funds needed just to repair and rebuild the infrastructure that supports our region's growth are dwindling.

As we welcome an anticipated 625,000 new residents within the Urban Growth Boundary over the next 20 years, the cost of building the needed public and private facilities is estimated to be \$27 to 41 billion. Traditional funding sources are expected to cover only half that amount. We need to make the most of the funding we have by leveraging these traditional public resources with private investment.

The region faces additional hurdles related to investment in our economy. While some efforts to fuse public and private resources have been successful, no entity exists to continually integrate these assets on a regional scale. Local permitting and regulatory practices can be unpredictable and perceived to add unnecessary costs, creating barriers to attracting new investment. Our region's school facilities are overcrowded and lack the technology needed to prepare students for higher education and tomorrow's job market. Finally, the region lacks a clear way of measuring the impact of its investments in infrastructure.

As the functional life of our existing roads, bridges, pipes and other public structures built decades ago begins to expire, it is clear that the region's critical infrastructure is living on borrowed time. New tools are required to bring financial, technical and development resources to bear on our shared infrastructure needs, better coordinate and measure our investments, and define a clear path for business expansion. We need to act now to strengthen our economy.

We need to reinvest in our region's infrastructure to rebuild the economy by putting people back to work and laying the foundation for future economic growth.

The response

We all want a region that provides good jobs, safe and reliable transportation, livable neighborhoods, and access to the opportunities that create the quality of life for which our region is known. We need to reinvest in our region's infrastructure to rebuild the economy by putting people back to work and laying the foundation for future economic growth.

Living wage jobs can be created by rebuilding our outdated infrastructure as well as investing in new public structures that are crucial to development. In the years to come, modernized and efficient infrastructure will make our businesses more competitive and help attract and grow innovative companies to invest in job creation in the Portland metropolitan region. Maintaining and improving roads, bridges and transit could save commuters time as well as millions of dollars in fuel costs. Investment in modern transportation infrastructure will save our region's economy nearly \$850 million annually by 2025.

Basic investments in retrofitting aging buildings, including our schools and educational facilities, could reduce energy use by up to 50 percent and put more resources in the classroom. Connecting vacant land with the pipes and pavement needed for development will allow more businesses to grow and thrive.

The region's existing economic development strategies recognize the need for more living wage jobs, growth in traded sectors or specific economic clusters, and greater financial stability for the people who live and raise families here. While many of these strategies specify a range of actions to achieve these goals, they also emphasize that infrastructure is critical to regional competitiveness and job creation. Smart, targeted investments in infrastructure made in alignment with our regional strategies can help stimulate development and grow the economy.

We have the opportunity to invest now in the economy and quality of life we envision for our region.

Places around the country that have tackled significant infrastructure challenges have one thing in common: strong, bold leadership from the private sector in partnership with the public sector.

The Community Investment Initiative

The Portland metropolitan region is not alone in facing these significant challenges. Looking around the country at places that have worked to tackle these problems, those that were successful had one thing in common: strong and bold leadership from the private sector in partnership with the public sector. To meet this need for our region, the Community Investment Initiative (CII) brought together a diverse coalition of more than two dozen leaders from the Portland metropolitan area's business, community and public sectors to create a Leadership Council committed to building the region's economy by making investments in infrastructure that create and sustain living wage jobs.

The Initiative convened the Leadership Council to identify the innovative tools that use existing resources more efficiently, encourage public-private partnerships, and facilitate strategic infrastructure investments, particularly those of regional significance. By leveraging the power of the Leadership Council's extensive network of professional relationships, we can develop a regional approach that integrates previously separate efforts on investments, jobs, development, transportation and equity for a coordinated strategy that allows us to focus and prioritize our resources.

The strategic plan

In June of 2012, the Leadership Council released a strategic plan that focuses on the challenges to our region's economy and assesses the investments most likely to deliver the greatest benefits region-wide. The resulting four strategies offer an integrated and transformative investment approach that makes the most of existing and future public resources while achieving the greatest economic, environmental and social return for the region. These four strategies are being implemented to move the Leadership Council, stakeholders and the region forward toward creating a resilient economy:

- Invest in infrastructure to catalyze jobs and economic prosperity
- Foster conditions that support development-ready communities
- Ensure the reliable and efficient movement of goods and people across the region
- Protect and enhance our communities' investments in school facilities and properties, now and in the future

In implementing each strategy, the Leadership Council is evaluating where and how to invest in the region's economic future by factoring the impact these investments have on communities through a performance measurement strategy to help ensure the benefits and costs of future growth and change are equitably distributed.

The Leadership Council and its partners have been working throughout the last year to implement the elements of the strategic plan, and much progress has been made.

The Leadership Council offers its recommendations for a prosperous economy to the community, business and elected leaders of the region.

The members of the Leadership Council are committed to working with regional leaders to help make targeted investments in the structures that support our region's economy and help create living wage jobs.

CII Leadership Council Recommendations



REGIONAL INFRASTRUCTURE ENTERPRISE

Invest in infrastructure to catalyze jobs and economic prosperity



Infrastructure serves as the foundation for the region's economy and the centerpiece issue addressed by the Community Investment Initiative. The roads, bridges, pipes and other public structures that support daily life enable our businesses to connect with markets, get workers to and from job sites, and provide the resources needed to make products and provide services. Without these structures, our economy suffers, and it is increasingly clear that a purely public investment model no longer meets our needs.

To support investment in basic infrastructure, the CII Strategic Plan calls for the creation of a Regional Infrastructure Enterprise (RIE) to leverage private investment through a public-private partnership model to deliver infrastructure investments. The mission of the RIE is to facilitate infrastructure investment that catalyzes living wage job creation, private investment and economic development. Its goal is to focus on the projects in population centers and employment areas that have the most potential to deliver jobs and economic development to the region.

With a three-phased approach, the initial phase of the RIE is envisioned to support development projects by providing technical assistance such as market analysis and permitting assistance, and funding through patient capital or grants. This first phase, which focuses on demonstration projects, will be needed to prove and refine the approach before expanding into later phases of supporting larger projects. It is not intended to supplant local and regional responsibility for priority setting, but instead augment and help deliver existing projects that most of us agree are crucial for the region's economic health.

The RIE will work to:

- facilitate development of key projects that support the economy
- create shovel-ready land for new and expanding businesses
- deploy public-private partnerships to maximize investment resources on key projects
- establish a mechanism for making ongoing strategic investments in merit based projects of regional significance
- advance regional and local goals for development and job creation.

With agreement from key partners, the RIE can be realized. While the concept has buy-in from partners and stakeholders from across the Portland metropolitan region and a way forward through a completed and phased business plan, key steps remain to be taken.

RECOMMENDATIONS

While the RIE cannot solve the region's problems single-handedly, it will provide an important tool to shore up our most critical economic foundation and grow the jobs that support the services we all rely on.

The Leadership Council recommends:

- the immediate implementation of the Regional Infrastructure Enterprise business plan to help deliver the infrastructure needed to create living wage jobs in the Portland metropolitan region
- the formation of a new partnership between Metro and the Port of Portland, governed by an appointed board of directors, to develop and implement a regional project package that supports our shared economic development goals and generates momentum for securing funding for ongoing investments.

The mission of the Regional Infrastructure Enterprise is to facilitate infrastructure investment that catalyzes living wage job creation, private investment and economic development.



DEVELOPMENT-READY COMMUNITIES

Foster conditions that support development-ready communities



With its unique land use laws, Oregon has additional complexities related to development and growth. We have worked together as a region to grow responsibly by encouraging development in existing communities and protecting farm and forestland on the edges. But this has also meant a more limited land supply and a need for greater thoughtfulness in planning. While these conditions reflect the values shared by the majority of Oregonians, any added hurdles – real or perceived – to development can create conditions that make private investment and expansion less attractive.

In the strategic plan, the Leadership Council recommended the creation of a development readiness strategy to identify these hurdles and explore solutions. This strategy would pursue good government practices to deliver a more transparent and predictable development process without undermining the spirit of existing regulation.

The CII worked collaboratively with the City of Oregon City in a pilot program to test a development readiness tool and gauge its effectiveness. Those involved agreed that the tool provided valuable insight into a community's development readiness and measured the right variables. More importantly, the use of the tool prompted an in-depth conversation with policy makers and developers about what local jurisdictions could do to spur development in their communities. Using these tools and strategies, local jurisdictions throughout the region can identify their own program's strengths and weaknesses, and recommend specific actions to improve the development review process and streamline permitting while preserving communities' environmental values. These processes are vital for growing businesses and living wage jobs right here in our neighborhoods.

While the program is not intended to meet every need for either the jurisdiction using it or the developer hoping to navigate the permitting process, it provides an effective approach for investigating how a jurisdiction interacts with the businesses and enterprises driving growth in their community.

RECOMMENDATION

The development-ready communities program illustrates best practices, helps clarify the path through local permitting processes, and supports developers and jurisdictions by providing certainty to those looking to invest in the region. The Urban Land Institute has stepped forward as a partner that may be willing to take this concept and broaden its applicability to the entire region.

The Leadership Council recommends:

- the Urban Land Institute implement the program as part of its emerging Thriving Cities Alliance and broaden its scale to support high quality development outcomes in the region.

Development-ready means communities can attract private investment without adding unnecessary time, risk or uncertainty to the development process.



TRANSPORTATION FUNDING

Ensure the reliable and efficient movement of goods and people across the region



The Portland metropolitan region's economy is dependent upon transportation. The region sits at the confluence of international marine terminals and inland waterways, the crossroads of two interstate highways and transcontinental rail lines, and hosts the largest airport in the state. Our economy is powered by advanced manufacturing, high-tech industries and specialty trades, all of which rely upon these connections to reach markets both at home and abroad. The efficient and effective movement of people and goods within and through the region is essential to our economic success.

While our need for a safe, reliable and effective transportation system has never been greater, the traditional funding sources that support our roads, bridges and other vital infrastructure are dwindling. Major bottlenecks and congestion cost businesses money and bind our region's ability to grow. While we have done the work to plan for improvements, there are insufficient resources to meet regional needs. In order to ensure our transportation system can accommodate the growing region, a series of investments are needed that improve freight mobility, safety for all modes of travel, and connectivity to jobs.

The Community Investment Initiative is in a unique position to advocate for transportation funding. While the group was organized to exercise its network of professional and civic leaders, the decision-making authority for major transportation projects rests with other bodies, including local jurisdictions and the state Legislature.

The Initiative explored the potential for a broad strategic investment fund for transportation by engaging stakeholders to assess interest and political will. Based on this fact-finding, the Leadership Council agreed in the short term to pursue increases in conventional transportation revenues for targeted priority transportation improvements in the 2015 legislative session, accompanied by a regional and local funding strategy.

In the long term, however, these conventional funding sources need to be replaced. The gas tax, an innovative solution when first implemented in 1919, continues to lose purchasing power due to inflation and the adoption of fuel efficient vehicles. As a viable replacement, the Leadership Council recommended the development of a vehicle miles traveled (VMT) fee assessed on how much one drives and linked to delivering the multi-modal transportation system needed to serve this region. In a prior study, researchers found that a VMT fee is technically feasible and can be implemented fairly simply, providing choices for drivers on how it is collected. Oregon pioneered the gas tax as a model for the 20th century, but we need a model for the 21st century that invests in transportation across all modes of travel.

RECOMMENDATION

Transportation infrastructure plays a vital role in ensuring the economic competitiveness of the region and needs sustained investment, both in the near- and long-term.

The Leadership Council recommends:

- local partners work together to strengthen our regional transportation system by identifying recommendations and goals for the 2015 legislative session and developing next generation transportation funding tools that capture the impact of traffic on roadways.

In order to ensure our transportation system can accommodate the growing region, a series of investments are needed that improve freight mobility, safety for all modes of travel, and connectivity to jobs.



SCHOOL FACILITIES AND PROPERTIES

Protect and enhance our communities' investments in school facilities and properties



A high-quality education is essential in preparing today's young people for the jobs of tomorrow. As knowledge of science, technology and mathematics becomes increasingly relevant to workers in our economy, our students are being short-changed in their earliest years. Thousands of children across the Portland metropolitan region are learning with outdated equipment in aging buildings that are not equipped to handle growing class sizes. They do not have access to the new technologies required to be successful in the 21st century work place, limiting our educators' ability to prepare and develop the future workforce. We are failing to adequately invest in the public structures that serve the next generation of entrepreneurs, doctors and trades people.

In 2012, the Community Investment Initiative recommended the development of a strategy to make the most of existing facilities and plan for new infrastructure investments. In partnership with the Center for Innovative School Facilities, seven local school districts and Metro's Data Resource Center, the Initiative created a State of the Schools Atlas to help school districts prioritize investments based on demographic, facility, student performance and enrollment information. This tool, comprising demographic data and facilities benchmarks, can be used by school districts for analysis to inform decision-making for facility planning and investment based on broad criteria. Additionally, working with experts in school building innovation, the Initiative drafted guidelines for new school construction or renovation to help teachers make better use of technology and their physical classroom space.

RECOMMENDATIONS

We must do a better job of providing our young people with the tools they need to be successful, beginning in our classrooms and working together to use limited resources in the most effective way possible.

The Leadership Council recommends:

- regional leaders support partner organizations and school districts in using the State of the Schools Atlas to help school districts assess where to prioritize investments in facilities and properties
- continued collaboration with the Oregon Department of Education and local Education Service Districts to consider methods of maintaining and applying the State of the Schools Atlas
- the Metro Data Resource Center provide support services to users of the State of the Schools Atlas on a fee-for-service basis
- Portland State University take the lead on marketing the regional enrollment forecast cost-sharing proposal to local school districts and Education Service Districts
- the Center for Innovative School Facilities take the lead on distribution and assistance in application of the School Facility Guidelines for Technology.

The quality of education and workforce preparedness in the future depends on having 21st century school facilities deliver 21st century programs to every student in the region.



PERFORMANCE AND EQUITY MEASUREMENT

Prioritize investments that generate jobs, promote opportunity and reduce disparities



The Community Investment Initiative came together under the principle that the Portland metropolitan region is a place where diverse interests collaborate to solve problems.

More than just formulating strategies, the Community Investment Initiative is committed to achieving measurable results across the region, both geographically and demographically. Sustainable, resilient and prosperous economies are those that have low levels of poverty, high per capita income, and generate living wage jobs for their residents. In short, a prosperous region is an equitable region. The success of the Initiative is dependent upon its ability to ensure the benefits and costs of its investments are equitably distributed among the region's communities and the outcomes are effectively communicated to residents, elected leaders and the business community. In response, the Initiative has developed a Performance and Equity Measurement framework (PEM) to shape these critical connections and illustrate how the CII is helping to create living wage jobs.

RECOMMENDATIONS

In line with our continued goal of using resources more efficiently, performance measurements will make use of existing tools housed within organizations such as the Greater Portland Pulse, Greater Portland Inc., Metro, and Coalition for a Livable Future.

The Leadership Council recommends:

- partner organizations continue to measure the region's living wage jobs, per capita income and poverty rate to help assess the effectiveness of the CII strategies and the impacts of the investments made
- key stakeholders and partners provide feedback on the performance and equity measurement framework and its relationship to the other CII strategies
- partners track and share outcomes of their efforts as they contribute to meeting the CII goals.

Sustainable, resilient and prosperous economies are those that have low levels of poverty, high per capita income, and generate living wage jobs for their residents.

Next steps

In summary, the Community Investment Initiative Leadership Council recommends:

- the immediate implementation of the Regional Infrastructure Enterprise business plan to help deliver the infrastructure needed to create living wage jobs in the Portland metropolitan region
- a new partnership between Metro and the Port of Portland to develop and implement a regional project package that supports our shared economic development goals and generates momentum for securing funding for on-going investments in our region
- the Urban Land Institute implement the development-ready communities program as part of its emerging Thriving Cities Alliance and broaden its scale to support high quality development outcomes in the region
- local partners work together to strengthen our regional transportation system by identifying recommendations and goals for the 2015 legislative session and developing next generation transportation funding tools that capture the impact of traffic on roadways
- regional leaders support partner organizations and school districts in using the State of the Schools Atlas to help school districts assess where to prioritize investments in facilities and properties
- partner organizations continue to measure the region's living-wage jobs, per capita income and poverty rate to help assess the effectiveness of the CII strategies and the impacts of the investments made.



www.communityinvestmentinitiative.org



RESTRICTIONS ON POLITICAL CAMPAIGNING BY PUBLIC EMPLOYEES ORS 260.432

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September 2012

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GETTING STARTED

INTRODUCTION

The purpose of this rule is to interpret ORS 260.432. Violations of this rule are to be enforced as violations of ORS 260.432. We also provide prior review and advice to public agencies and individuals on allowable actions.

Contact

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An Attorney General letter dated October 5, 1993 states “public bodies may use public funds to inform voters of facts pertinent to a measure, if the information is not used to lead voters to support or oppose a particular position in the election. However, we also have pointed out that ‘informational’ material may be found to ‘promote or oppose’ a measure even if it does not do so in so many words if the information presented to the public clearly favors or opposes the measure and, taken as a whole, clearly is intended to generate votes for or against a measure.” This manual details allowable and restricted activities, consistent with ORS 260.432 and the Attorney General’s advice.

ORS 260.432 STATUTORY PROVISIONS

Essentially, public employees may not engage in political activity while on the job. This manual will go into detail about what it means to promote or oppose, and when a public employee is “on the job during work hours.”

ORS 260.432(1) states that a person - including public employers and elected officials - may not require a public employee to promote or oppose any political committee or any initiative, referendum or recall petition, ballot measure or candidate.

ORS 260.432(2) states that public employees (including school administrators, city managers, police chiefs, etc.) may not be involved in **promoting or opposing** any political committee or any initiative, referendum or recall petition, measure or candidate **“while on the job during working hours.”**

ORS 260.432(3) states that each public employer must have posted - in all appropriate places where public employees work - a notice about the prohibitions of ORS 260.432. See the final page of this manual for more information about this requirement.

WHEN DOES 260.432 APPLY?

- for initiative, referendum and recall petition efforts, as soon as a prospective petition is filed with the appropriate elections filing officer;
- for a ballot measure referred to the ballot by a governing body (district, city, county, state) as soon as the measure is certified to the ballot. A county, city or district measure is certified to the ballot when the elections official files the referral with the county election office;
- for a candidate, as soon as the person becomes a candidate under the definition in ORS 260.005(1)(a); and
- for political committees, whenever the political committee is active.

OVERVIEW OF RESTRICTIONS AND ALLOWABLE ACTIVITIES

The overriding principle is that public employees may not use their work time to support or oppose measures, candidates, recalls, political committees or petitions. Oregon election law does not specify any amount of work time that may be used before a violation occurs, so a public employee may be found in violation even though they used a minimal amount of work time.

An elected official or any other employer of a public employee may not require or direct public employees to prepare or distribute advocacy materials.

WHO IS COVERED?

As a general rule, all non-elected public employees are covered by 260.432. Elected officials are covered insofar as they direct other public employees to engage in political activities. See *Candidates and Elected Officials*, page 8.

Until June 30, 2013, directors of the pilot education service district board are not considered public employees.

Federal employees, including persons principally employed by state or local executive agencies in connection with programs financed in whole or in part by federal loans or grants, are covered by the federal Hatch Act. Contact the U.S. Office of Special Counsel (800-854-2824; www.osc.gov) for more information.

APPOINTED BOARDS AND COMMISSIONS,

ORS 260.432 applies to appointed board and commission members when they are acting in their official capacity. Appointed board or commission members are acting in their official capacity when, for example, they are at a meeting of the board or commission, working on a duty assigned by the board or commission, working on official publications (including website materials) for the board or commission, or when appearing at an event in an official capacity.

SALARIED VS. HOURLY: “ON THE JOB”

Salaried employees’ work time is not as easily measured as hourly workers. If the work performed falls generally within the job duties of the public employee, the work is performed in an official capacity regardless of the time of day or location.

If a salaried employee applies for expense reimbursement for a function, they are considered “on duty.”

A “regular workday” may not be definable for a position, or may not have a specific time period. It is based on the activities and whether the person is acting, or appears to be acting, in an official capacity.

Personal note-keeping by salaried employees is suggested to record when the employee is on or off duty. During public appearances, the employee should specifically announce to the audience that they are not acting in their official capacity if they are engaging in political advocacy. Such an announcement would not negate a subsequent statement or action in circumstances that show the public employee is acting in his or her official capacity.

Example

If a salaried police officer attends a meeting about a bond measure on his own time (i.e. while not “on duty”) and advocates for the measure, he should announce to the audience that he is there in his capacity as a citizen, and is not representing the police department.

However, if the police officer went on to say “As a long standing member of your police department, I can tell you we need this money,” or handed out official publications from the jurisdiction, the police officer would be acting in his or her official capacity (despite their previous announcement) and would be subject to the requirements of ORS 260.432.

Example

A school superintendent would be acting in his or her official capacity at all school board meetings and school functions.

A salaried public employee may be acting in their official capacity even when using personal equipment and personal time, if the activity is related to work duties.

Example

A public employee who, on their own computer on the weekend, drafts a press release about how a measure might affect their agency, and signs the document with their title, would be acting in their official capacity.

Salaried employees have the right to participate in political activity on their own time. An employee would not be on the job solely because they may be subject to a call back to duty at any time.

Common activities that are always undertaken in an official capacity (regardless of time of day or location) and are therefore subject to the requirements of ORS 260.432 include:

- posting material to an official website (and approving material to be posted to an official website)
- drafting or distributing an official publication from the jurisdiction
- Appearing at an event as a representative of a jurisdiction

See *Use of Public Employee Title* on page 10 for more information.

VOLUNTEER PERSONNEL AT A PUBLIC AGENCY

Volunteers (other than members of appointed boards or commissions) receiving no compensation are not considered public employees and therefore are not restricted by ORS 260.432. Workers compensation coverage is not considered compensation.

These volunteers may be bound by the policies of the jurisdiction. The policies may include limits on political advocacy during their volunteer activities as well as limits on access to agency resources for advocacy purposes. While a volunteer will not be liable under ORS 260.432, a public employee may have exposure if the public employee directs a political activity by a volunteer.

NATIONAL VOTER REGISTRATION ACT (NVRA) AND ORS 247.208(3)

While the restrictions imposed under ORS 260.432 apply generally to all public employees, ORS 247.208(3) imposes a separate, rigorous set of restrictions that apply only to persons who provide voter registration services required under the National Voter Registration Act (NVRA). NVRA is a federal Act enacted by Congress in 1993.

Public employees or other persons providing NVRA-required voter registration services on behalf of a designated public agency may not:

- seek to influence the political preference or party registration of a person registering to vote;
- attempt to discourage a customer from registering to vote;
- display any indications of political preference or party allegiance (including the choice of candidates for partisan political office);
- make any statement or take any action towards a person registering to vote that would lead the person to believe the voter registration has any bearing on the availability of services or benefits;
- seek to induce any person to register to vote or to vote in any particular manner.

These restrictions prohibit public employees from wearing political buttons while performing NVRA services, which is more restrictive than the general rule that is explained on page 6. See OAR 165-005-0070 for detailed guidelines.

PERSONAL EXPRESSION BY PUBLIC EMPLOYEES

SIGNS AND POSTED INFORMATION

CAMPAIGN SIGNS

Oregon election law does not address the size, location or timing of political campaign signs. Many local jurisdictions (cities and counties) have ordinances or policies that address campaign signs.

Alert

Exception: ORS 260.695(2) prohibits campaign signs inside or within 100 feet of any entrance to a state or local government elections office building designated as a ballot drop site.

UNION BULLETIN BOARDS

Public employee unions may have a designated bulletin board to post information. The location and contents of those bulletin boards are regulated by collective bargaining agreements and are not subject to the requirements of ORS 260.432.

DISTRIBUTION OF POLITICAL MATERIAL WITHIN A GOVERNMENT AGENCY

Public employees may not distribute material that contains political advocacy while on the job during work hours, except public employees may, as part of their job duties, process and distribute incoming mail addressed to specific employees that contains political advocacy.

Political material may be distributed in public jurisdictions if the person doing the distribution is not on the job, if other people would be granted equal access, and if it does not violate the jurisdiction's policies.

Example

A teacher, while not on the job (before or after work or during lunch), may place information about his candidacy for a local office in the boxes of the other teachers at the school so long as any other candidate who asked would be allowed to distribute materials into the boxes.

Unions may distribute political materials to their members pursuant to their contract.

See *Email* on page 13 regarding responding to or forwarding political emails.

VERBAL COMMUNICATION

ORS 260.432 does not restrict the right of a public employee to express personal political views during their personal time. However, it does restrict some verbal communication while on the job during working hours (or while acting in an “official capacity”).

A public employee cannot promote or oppose a political position while they are on the job during work hours.

Public employers may add additional policies.

PUBLIC PRESENTATIONS AND SPEECHES

A public employee cannot give a speech or presentation advocating a political position if they are on the job or acting in their official capacity. An elected official may give political presentations and speeches, so long as no public employee work time is utilized.

When making a presentation that contains political advocacy during non-work time, the public employee should announce that they are acting in their capacity as a private citizen. The employee should also document that they were not on the job.

Example

Employees may document that they are not on the job by keeping: a log, payroll records that indicate when they were on the job, time off slips, etc.

MEETINGS

Public employees may attend meetings at which political issues are discussed, so long as they do not engage in political advocacy themselves while on the job or acting in their official capacity.

Public employees cannot be compelled to attend political presentations. If a public agency has a mandatory staff meeting and a political group is making a presentation, the agency must make it clear that attendance at the political presentation is optional. Public employees who do attend the political presentation must do so during non-work time. Political advocacy presentations should not occur in close proximity to events requiring public employee attendance.

BUTTONS, T-SHIRTS, AND UNIFORMS

POLITICAL BUTTONS AND CLOTHING

Public employees may wear political buttons or clothing at work so long as it does not violate their employer’s policy.

A public employer may not request or require that public employees wear political clothing, buttons, etc.

Example

It would not be a violation for a teacher, on their own, to choose to wear a “Vote Yes on Measure 1234” button to school (so long as that did not violate school policy). It would be a violation for school administration to give out “Vote Yes on Measure 1234” buttons and email to encourage teachers to wear them to school on Election Day.

UNIFORMS

Wearing a uniform to a political event, or while giving a political presentation, is not necessarily a violation of ORS 260.432, unless other elements of the presentation violate other requirements of this rule. A uniform may give the audience the impression that the public employee is acting in their official capacity. Public employees who wear uniforms and intend to engage in advocacy must notify the audience that they are not acting in their official capacity.

LOBBYING AND LEGAL CHALLENGES

LEGAL CHALLENGES BY PUBLIC JURISDICTIONS

Public employee's work involvement in legal court challenges as part of their regular job duties would not be a violation of ORS 260.432.

Example

Examples of legal challenges include whether an initiative petition meets constitutional requirements, whether a ballot title complies with statutory standards, etc.

LEGISLATION AND LOBBYING

Legislative bills are not covered by ORS 260.432. Therefore it is allowable, under election law, for public employees to lobby governing bodies. Once a referral has been certified to the ballot, political advocacy is restricted by ORS 260.432.

PUBLIC PROPERTY

If a governing body makes their property available for advocacy activities, they must grant equal access for all political groups to use public property. This includes charging the same fee or requiring the same permit.

Public agencies may have policies that regulate the use of public property. The policy may be more restrictive than the requirements of ORS 260.432.

ORS 294.100 provides a limited remedy for possible inappropriate use of public resources. That statute is not in the jurisdiction of the Elections Division, and therefore we cannot give advice about compliance with that statute.

An elected official is not required to grant equal access to their office or equipment, even if it is in a public building.

CONTACT LISTS

If lists are available to the public, a public employee must grant equal access to anyone who requests the list. This includes any list that the public body administers. The public body must charge the same fee, if any.

A candidate may not use any list administered by a public body that is not available to all other candidates. Candidates may use contact lists that they created (including constituent contacts) without granting equal access to other candidates.

Example

This issue commonly arises with the use of personnel lists, public utility lists, email lists, voter lists, etc. Public bodies must allow equal access to these lists.

CANDIDATES AND ELECTED OFFICIALS

An elected official may engage in political activity during work time. Elected officials are not considered public employees for the purposes of ORS 260.432.

A person appointed to fill a vacancy in an elective public office is considered an elected official for purposes of this statute.

Elected officials cannot command public employees to engage in political advocacy. A request made by an elected official is considered a command.

An elected official's opinion piece, letter or speech advocating a political position may not be published in a jurisdiction's newsletter or other publication produced or distributed by public employees. See *Material Produced by Governing Bodies*, page 10.

Example

Public employees may not prepare the text for a speech, a press release, constituent mail that advocates a vote, candidate filing forms, voters' pamphlet filing forms, file contribution and expenditure (C&E) transactions online, etc. during their work time.

An elected official, as part of a governing body, may vote to support or oppose a measure put before the body. The elected official may publicly discuss the vote. Elected officials may not use public employee staff time, except for ministerial functions. See *Material Produced by Governing Body*, page 10.

An elected official may only solicit volunteer help from public employees during employee breaks or other personal time.

CANDIDATE FORUMS

A governing body may sponsor a candidate forum if it is open to all candidates. Not all candidates must attend.

Public employees may use work time to arrange the forum. The public employee may perform ministerial functions in conjunction with the forum and may attend on work time.

Alert

*All public employee involvement in the forum must be impartial.
Public employees may not draft or select questions for the candidates.*

SCHEDULING POLITICAL APPEARANCES

Public employees may maintain the schedule of candidates. Public employees may not solicit political scheduling opportunities for an elected official, but may respond to scheduling requests. Prohibited activities include organizing campaign events, communicating on political matters with the press or constituents, or initiating any other political activity on behalf of the official.

As discussed in the measure section, incoming calls about measures must be answered in a strictly factual manner.

VISITS BY CANDIDATE OR CANDIDATE REPRESENTATIVE

A candidate may request to visit a government agency work site. The public agency must grant equal access to all candidates. The government agency should not initiate candidate visits, except for candidate forums.

Public employees involved in the arrangements for the visit may perform ministerial duties.

No public employee may take any actions to promote or oppose the candidate before or during the visit. This includes taking a political position when announcing the event, holding a campaign sign during the event or assisting the candidate in distributing campaign materials.

INFORMATION IN THE MEDIA

USE OF PUBLIC EMPLOYEE TITLE

Use of a public employee's working title tends to indicate that he or she is acting in their official capacity. Even if the material is produced on the employee's personal time, use of their title may indicate to the public that they are speaking on behalf of their agency. Using a title is one factor the Elections Division would consider to determine if a public employee was on the job or acting in their official capacity when they engaged in political advocacy. See *Salaried v. Hourly: "On the Job"* on page 2.

GUEST OPINIONS OR LETTERS TO THE EDITOR BY PUBLIC EMPLOYEES

If a public employee is asked in their official capacity to produce a guest opinion related to a ballot measure or candidate, the content must be impartial.

A public employee may write a letter to the editor that contains political advocacy so long as they do so on their own time and not in their official capacity. As discussed in the "Use of Public Employee Title" section above, use of a title is one factor that would be considered to show that a public employee was acting in their official capacity.

AGENCY INTERACTION WITH MEDIA

A spokesperson for an agency may respond to media inquiries about the possible effects of a measure or petition so long as the information they provide is impartial. The public employee must not state or imply support or opposition.

A public employee may draft and distribute an impartial news release, except for a news release regarding a resolution advocating a political position on a measure.

See *Resolutions (Vote Taken) by an Elected Governing Body*, page 15.

Information that is entirely factual may nonetheless be considered advocacy (for example, by omitting required cost information). See *Determining Impartiality for Documents*, page 17.

MATERIAL PRODUCED BY GOVERNING BODIES

Any materials produced by public employees while on the job during work hours must be impartial. The Elections Division is available to review documents prior to publication to ensure compliance with ORS 260.432. If the document is submitted to the Elections Division and approved in writing, there will be no violation of ORS 260.432 as long as what is printed does not deviate from the approved version. This review process will be completed within five business days of the submission of the document.

Contact

Oregon Secretary of State, Elections Division

Phone: 503-986-1518

Fax: 503-373-7414

Email: elections.sos@state.or.us

When the Elections Division receives a document for prior review (usually submitted by fax or email), it will review it utilizing the impartiality requirements on page 17 of this manual. It will then reply to the jurisdiction, usually by email, with a statement that the document as submitted is acceptable, or with notes about how to make the document more impartial. Those notes will reference the requirements on page 17 of this manual. The jurisdiction may re-submit the material incorporating the suggested changes as many times as necessary.

WHO IS LIABLE FOR ADVOCACY MATERIAL

Any public employee who authors or drafts material that contains advocacy may be in violation of ORS 260.432. This includes any public employee who creates material for inclusion in an advocacy document.

A supervisor who requests that an advocacy document be created, or oversees the project, may also be in violation of ORS 260.432, even if they are not the author of the document.

A public employee may edit material that is subsequently found to not be impartial if they only edit for grammar, spelling and other clerical issues. A public employee may not edit advocacy materials if they make or suggest substantive changes. It is not a violation for a public employee to design materials that are subsequently found to contain advocacy so long as they are not involved in the content of the document.

It is not a violation of ORS 260.432 for a public employee, at the direction of a supervisor, to post advocacy materials to a website or otherwise distribute them. The supervisor who decided to distribute the materials may be in violation of ORS 260.432.

See *Impartial Ballot Measure Information*, page 14.

LETTERHEAD AND STATE SEAL

GOVERNMENT LETTERHEAD

Election law does not regulate the use of government letterhead.

Agencies should have policies in place governing letterhead that incorporate the requirements of ORS 260.432.

STATE SEAL

ORS 186.023 governs the use of the Oregon State Seal. Elected officials may use the state seal in an official capacity, but not as a candidate for public office.

Contact

For questions about the use of the Oregon State Seal, contact the Secretary of State, Executive Office at 503-986-1523.

SPECIFIC KINDS OF MATERIALS

VOTERS' PAMPHLET

A public employee's duties may include producing an official voters' pamphlet. Public employees may not prepare measure arguments or candidate statements for inclusion in the voters' pamphlet while on the job during work hours.

See page 16 for information about ballot titles and explanatory statements.

POSTCARDS

Postcards produced or distributed by public employees must be impartial. The postcards must meet the impartiality requirements, described on page 17.

When a public employee is involved in the production of a series of small mailers, each piece must be individually impartial. Read together, the series of mailers must also be impartial. For ballot measure material, any discussion of the measure's effects must be balanced with the amount of taxes or fees.

Public employees may produce "don't forget to vote" materials as long as they are impartial.

PREVIOUSLY PUBLISHED MATERIALS

Public employees may respond to public records requests with information that contains advocacy, but may not proactively distribute advocacy material.

See *Websites*, page 13, for information about links to previously published materials.

VIDEO AND AUDIO PRODUCTIONS

Video and Audio productions created or distributed by public employees must be impartial. The words, tone of voice and any visual elements will be reviewed together for impartiality.

Public employees who record video of public meetings may do so even if non-public employees (or public employees who are not on the job or acting in their official capacity) engage in advocacy on the video. Public employees may not make recordings where the purpose of the video or audio production is advocacy. Public employees may not edit a video so that the resulting product is advocacy.

Public employees may broadcast videos of meetings for public access channels and post the videos on government websites, even if the videos contain advocacy. Posting only excerpts of the meeting where there is advocacy with an intent to advocate would be a violation.

WEBSITES

No advocacy material may be posted on any government website or blog unless it is part of an official function of the agency.

Examples

An elections website may contain voters' pamphlet information.

Any public body may post information that is a record of a public meeting, even if it contains advocacy.

Candidates and other political groups may link to government websites, but government websites may not contain links to advocacy material. Even if a public employee posts advocacy material on the government website during their personal time or on their personal equipment, the public employee would be acting in their official capacity and therefore would violate ORS 260.432.

Government websites may contain public records about measures or candidates. Those public records must be treated the same as other public records, which do not contain advocacy.

Government agencies should have a policy in place for their website that incorporates the requirements of ORS 260.432.

E-MAIL

Public employees may open and read emails that contain political advocacy. They may not, while on the job during work hours, send or forward emails that contain advocacy, except as outlined below.

A public employee may forward an email containing advocacy to their personal email, so long as this does not violate the employer's policies.

A public employee may forward an email containing links to advocacy material only when that material is germane to the government agency and the public employee does not provide commentary.

Example

A wildlife official may forward emails to other public employees that contain a link to an article about an upcoming measure that would change the way the state regulates the wolf population. They may not include commentary that endorses or opposes the article or issue. The wildlife official may not forward an advocacy article about a measure that would impose a public school bond (or any other issue not related to the Agency).

Agencies are advised to have a policy on use of government email that incorporates the requirements of ORS 260.432.

NEW MEDIA (TWITTER, FACEBOOK, ETC.)

Public employees may not post to government twitter, facebook, etc. material that contains political advocacy.

If a government agency interacts with candidates in new media (i.e., if a candidate left a comment on an agency facebook post), the agency must ensure that they treat all candidates equally and that any agency interaction remains impartial.

IMPARTIAL BALLOT MEASURE INFORMATION

When does ORS 260.432 apply:

- for initiative, referendum and recall petition efforts as soon as a prospective petition is filed with the appropriate elections filing officer;
- for a ballot measure referred to the ballot by a governing body (district, city, county, state) as soon as the measure is certified to the ballot. A district or city measure is certified to the ballot when the elections official files the referral with the county election office.

The actions taken by a governing body and its public employees in the planning stages of a proposed measure are not subject to ORS 260.432.

Public employees may produce and distribute advocacy material about referrals prior to the measure being certified to the ballot. Any public employee work time used to change, amend, edit, distribute, etc. a document found to be supporting or opposing a referral between the date it is certified to the ballot until the date of the pertinent election could be a violation of ORS 260.432.

Example

A city manager may produce a memorandum to the City Council about the need for a possible future bond levy. If the City Council refers the levy, then that memorandum cannot be proactively distributed after the measure is certified. The city could respond to a public records request for the memorandum.

Public employees may respond to public records requests for documents that contain advocacy, even if the measure has been certified. They may not proactively distribute those materials after the measure is certified.

A public employee may not distribute prior measure materials that contain advocacy where the same or similar issue is currently on the ballot.

Example

If a school district has a recurring bond levy, district employees may not distribute any materials from the previous levies (even though those elections have passed) during the period between certification and the current election.

RESOLUTIONS (VOTE TAKEN) BY AN ELECTED GOVERNING BODY

Elected boards of governing bodies may take a position on a ballot measure (or initiative, referendum or recall petition) provided there is no use of public employee work time to advocate that position.

With regard to a governing body's resolution that advocates a political position on a ballot measure, initiative, referendum or recall, a public employee:

May	May Not
Edit the jurisdiction's name and board member names to conform it to the requirements for the resolution	Draft, type, or edit the resolution
Prepare neutral, factual information for the board to use in taking a position on the measure, including impartial information on how the measure could affect the jurisdiction.	Recommend how to vote on the resolution
Be available at the board meeting to offer impartial information upon request.	Sign a resolution, unless the public employee's signature is ministerial and included only to attest that the board took the vote
Respond to direct questions from the media about the resolution, if their response is impartial.	Prepare a news release or other announcement of the resolution.
If the jurisdiction has a history of listing all action items from meetings in a regularly published publication, they may include the vote in an impartial manner.	Include the vote or position of the governing body in a jurisdiction newsletter or other publication.
Use work time to record the vote if that is part of the employee's work duties.	
Use work time for regular job duties, such as responding to public records requests, taking minutes, retyping the resolution to conform to the required format, etc.	

BALLOT TITLES

Public employees may use work time to draft impartial ballot titles. A public employee may also defend a challenged ballot title.

Because the impartiality requirements and ballot title challenge process in ORS chapter 250 are distinct from the requirements of ORS 260.432, this office will not review ballot titles for impartiality. Public employees who draft ballot titles as part of their job duties will not be found in violation of ORS 260.432 for drafting a ballot title.

See *Legal Challenges by Public Jurisdictions*, page 7.

EXPLANATORY STATEMENTS

Public employees may use work time to draft impartial explanatory statements.

Because the impartiality requirements and explanatory statement challenge process in ORS chapter 250 are distinct from the requirements of ORS 260.432, this office will not review explanatory statements for impartiality. Public employees who draft explanatory statements as part of their job duties will not be found in violation of ORS 260.432 for drafting an explanatory statement.

See *Legal Challenges by Public Jurisdictions*, page 7.

PUBLIC EMPLOYERS DISCUSSING POSSIBLE EFFECTS OF A MEASURE WITH PUBLIC EMPLOYEES

A public employer may tell employees about the possible effects of a measure so long as the information presented is impartial and balanced. They may not encourage (implicitly or explicitly) public employees to support or oppose the measure.

Alert

Pursuant to ORS 260.665, it is a crime to threaten loss of employment (or other loss) or offer a thing of value to induce someone to vote in a particular manner.

MEASURE DEBATES

A forum to allow political proponents and opponents to debate ballot measures may be held using public employee work time as long as equal access is granted.

Measure forums are governed by the same principles as candidate forums. See *Candidate Forums*, page 9.

DETERMINING IMPARTIALITY FOR DOCUMENTS

ELECTIONS DIVISION REVIEW OF DOCUMENTS

The Elections Division offers a review service to give advice on whether a document complies with the requirements of ORS 260.432.

To submit a document for review, you may:

Email it to: elections.sos@state.or.us

Fax it to: 503-373-7414

Mail it to: 255 Capitol Street NE, Suite 501, Salem, OR 97301

Any Elections Division review of a document must occur before publication or distribution of the document. The Elections Division does not review documents for accuracy, only for impartiality.

Approval by the Elections Division provides a safe harbor for compliance with ORS 260.432. Should the Elections Division receive a complaint, it will be rejected as long as what was published is exactly what was submitted for review and all recommended changes were made.

When governing bodies receive Elections Division advice, they may choose to make some or all of the changes. If a complaint is received, the governing body will only be provided a safe harbor if they:

1. Accepted and made all of the changes
2. Did not otherwise alter the document

Once a document has been reviewed and all of the changes are made, a governing body may include a disclaimer that reads: "This information was reviewed by the Oregon Secretary of State's Office." This is the only acceptable disclaimer.

IMPARTIALITY REQUIREMENTS

The overall inquiry for determining impartiality is whether the material "promotes or opposes" a candidate or measure. In order to be impartial for the purposes of ORS 260.432, a document must meet two requirements:

- Documents must not explicitly urge a yes or no vote.
- Any document that talks about what a measure would pay for or do must also fully describe how much it would cost.

The requirements are discussed in further detail below.

1. VOTE YES/NO

The contents of the document must not urge a yes or no vote for the measure. There should be no "vote yes" or "vote no" language. The document must not include phrases such as:

- "Vote Yes on Measure 99,"
- "Support for Measure 99 is encouraged,"
- "The County is asking voters to approve,"
- "Why Should I Vote for Measure 99?"

- “Voters are asked to consider support for Measure 99,”
- "At election time, please support the Home Rule Charter,"
- "On May 15, 2012, Anytown voters are being asked to continue their support of the community youth by renewing the Youth Action Levy, Measure 57," and
- “Please support our incumbent mayor.”

Even if the remainder of the document is impartial, explicitly urging someone to vote in a particular manner would be a violation of ORS 260.432.

2. BALANCE OF FACTUAL INFORMATION AND DESCRIPTION OF COST

Documents produced by governing bodies must not be one sided. They must include a balance of information.

If a measure proposes to affect taxes or fees, the cost of the measure to an individual taxpayer or consumer must be included. In the context of a bond levy, this is generally the cost per \$1,000 of assessed value. The cost must not be worded in a way to minimize it.

Example

It would be advocacy to describe the cost as “less than” or “only \$5.00 per month” or “It’s merely the cost of a paperback a month”.

It is allowable to indicate that a bond renewal would not “raise taxes” where the jurisdiction states that the bond, if renewed, would continue to cost \$X per \$1000 assessed value. It is also allowable to state how much the bond would raise taxes compared to the previous bond, as long as the full cost information (generally cost per \$1000) is also included.

Example

“The ABC Library bond will not raise taxes. If the bond is renewed it the rate will remain at \$1.23 per \$1000 assessed value.”

“The ABC School bond is an increase of \$.25 per \$1000 assessed value over the previous bond. The total rate if the bond is passed would be \$1.45 per \$1000 assessed value.”

For measures that use funding mechanisms other than cost per \$1000 assessed value, the cost must be described in a way that clearly informs the public of how the measure would affect taxes.

The Oregon Department of Revenue produces a document entitled “Tax Election Ballot Measures” that describes Revenue requirements and advice for Tax Measures. It may be found at: <http://cms.oregon.gov/dor/ptd/docs/504-421.pdf>

ENFORCEMENT

COMPLAINTS (ORS 260.345)

Any Oregon elector may file a signed, written complaint with the Secretary of State, Elections Division alleging that a violation of ORS 260.432 (or any other election law) has occurred. The Elections Division also has its own authority to initiate an investigation when it has reason to believe a violation has occurred.

When a complaint is received, the Secretary of State will acknowledge receipt of the complaint to the complainant and the subject of the complaint within 48 hours of receiving the complaint. When the complaint is against a jurisdiction and not any specific individuals, it will be acknowledged to someone the Elections Division believes has responsibility for the area where the public employees are alleged to have violated the statute. The acknowledgment will be in writing.

Example

If a complaint is against a City and it is not clear who is responsible, it will be acknowledged to the City Manager.

Because ORS 260.432 is a civil statute, the entire investigation is public information. The complaint and all correspondence are available for any person who makes a public records request.

INVESTIGATION

Once a complaint is received, an investigation is conducted. The Elections Division will collect information and make inquiries. The subject of the complaint will be invited to respond to the allegations and provide any relevant information. As part of the investigation, the Elections Division may review materials not submitted with or mentioned in the complaint, and those materials may be the basis for a violation. The Elections Division may consider any information it considers relevant to the question of whether individuals in the jurisdiction violated ORS 260.432.

The investigation is independent of any election. The election will not dictate when a determination is made, and any determination will not change the outcome of the election.

DETERMINATION

If the Elections Division determines there is insufficient evidence of a violation of ORS 260.432, it will issue a letter to the complainant and subject of the complaint closing the case.

If the Elections Division determines there is sufficient evidence to indicate individual(s) violated ORS 260.432, it will issue a Notice of Proposed Civil Penalty (PPN). The PPN will lay out the basis for the violation. When the person subject to the penalty receives the notice, they may:

- Choose to pay the penalty, or
- Contest the charges by requesting a hearing

If the person does not contest the penalty, the Elections Division will issue a default final order imposing the civil penalty. If the person chooses to pay the penalty, payment may be submitted by check made payable to the Secretary of State or paid by credit card over the phone. Payment may be mailed to the Elections Division at any time after the PPN is issued, but must be received not later than 60 calendar days after the default final order is issued.

If the person chooses to contest the charges, they must submit a hearing request form (which will be included with the PPN) and an answer, explaining their reasons for contesting the charges and including any relevant mitigating circumstances.

MITIGATING CIRCUMSTANCES

The following are the mitigating circumstances that may be considered in reducing, in whole or in part, the civil penalty. The burden is on the person alleged to have committed the violation to show that a mitigating circumstance exists and caused the election law violation.

- (a) The violation is a direct result of a valid personal emergency of the involved person(s). A valid personal emergency is an emergency such as a serious personal illness or death in the immediate family of the involved person(s). Personal emergency does not include a common cold or flu, or a long-term illness where other arrangements could have been made. In this case, independent written verification must be provided;
- (b) The violation is the direct result of an error by an elections officer;
- (c) The violation is the direct result of fire, flood or other calamitous event, resulting in physical destruction of, or inaccessibility to, any records required to be kept to document compliance with Oregon election law. ("Calamitous event" means a phenomenon of an exceptional character, the effects of which could not have been reasonably prevented or avoided by the exercise of due care and foresight); or
- (d) The violation of ORS 260.432(2) occurred, but the public employee had voiced their objection to the person who coerced, commanded or required the employee to perform the prohibited campaign activity during their work time. Despite the stated objection, the person was still required to perform the activity that violated 260.432(2).

HEARING PROCESS

Hearings are conducted by an administrative law judge with the Office of Administrative Hearings (OAH) in Salem. On the hearing request form, the person subject to the civil penalty will choose whether they prefer to have a hearing in-person or by telephone.

When the Elections Division receives the hearing request and answer, they will forward this information, as well as the PPN and exhibits, to OAH. OAH will schedule a hearing not later than 45 calendar days after the deadline for requesting a hearing and notify the parties of the hearing date. A 15 calendar day extension may be granted if requested in writing by the person subject to the civil penalty.

SUBMITTING EXHIBITS

Not less than five business days prior to the commencement of the hearing, each party, including the Elections Division, must deliver copies of the exhibits it intends to offer into evidence at the hearing. Exhibits must be delivered to the administrative law judge, all parties, and the Elections Division.

Any documentary evidence submitted after the deadline may be admitted only if the administrative law judge finds that inclusion of the evidence in the record is necessary to conduct a full and fair hearing.

CONDUCT OF IN-PERSON OR TELEPHONE HEARING

If the hearing is in-person, it will be held in a hearing room at the Office of Administrative Hearings in Salem. If the hearing is by telephone, the parties will call the phone number provided in the Notice of Hearing sent by the Office of Administrative Hearings. The hearing will be presided over by an administrative law judge. The administrative law judge will describe the hearing process at the beginning of each hearing. The parties will then be given the opportunity to give opening statements, present and examine witnesses, and give closing statements.

If the party that requested the hearing does not appear within 15 minutes of the time set for a hearing, the administrative law judge will declare the party in default unless the party gives notice of a reason for the inability to appear at the designated time and requests and receives a continuance.

OPPORTUNITY TO OPT OUT OF IN-PERSON OR TELEPHONE HEARING

A person that requests a hearing may decide that he or she does not want to appear at the hearing, but still wants to contest the penalty. The person may submit notarized testimony and other evidence for entry into the hearing record before the administrative law judge in lieu of attending the hearing. The Elections Division must receive the testimony no later than three business days before the day of the scheduled hearing.

The Elections Division may also submit notarized testimony. The Elections Division testimony must be received by OAH not later than 5:00 p.m. on the scheduled date of the hearing. If the Elections Division fails to submit notarized testimony, the Elections Division exhibits become part of the case file and may establish the basis for liability.

PROPOSED AND FINAL ORDERS

PROPOSED ORDER

Not later than 30 calendar days after the hearing is closed, OAH sends the administrative law judge's proposed order to the parties. The proposed order will provide a deadline to file written exceptions to the proposed order. If the Elections Division chooses to amend the proposed order issued by the administrative law judge, the Elections Division will send an amended proposed order to the parties, which will provide a deadline to file written exceptions to the amended proposed order.

FINAL ORDER

After reviewing and considering the written exceptions, if any, the Elections Division will issue a final order no later than 90 calendar days after the hearing is closed. If the final order imposes a civil penalty, the party has 60 calendar days to pay the penalty or file an appeal.

JUDICIAL REVIEW

After the issuance of a final order or default final order, the person subject to the civil penalty is entitled to judicial review of the order. Judicial review may be obtained by filing a petition for review with the Oregon Court of Appeals within 60 calendar days of the service date of the order.

ATTENTION ALL PUBLIC EMPLOYEES:

The restrictions imposed by the law of the State of Oregon on your political activities are that “No public employee shall solicit any money, influence, service or other thing of value or otherwise promote or oppose any political committee or promote or oppose the nomination or election of a candidate, the gathering of signatures on an initiative, referendum or recall petition, the adoption of a measure or the recall of a public office holder while on the job during working hours. However, this section does not restrict the right of a public employee to express personal political views.”

It is therefore the policy of the state and of your public employer that you may engage in political activity except to the extent prohibited by state law when on the job during working hours. (ORS 260.432)

A public employee, on their own, off duty time, may send letters to the editor that advocate a political position and may participate in any other lawful political activity.

It is advised that a salaried public employee keep records when appropriate in order to verify any such political activity that occurs while off duty.

Prohibited and Allowable Activities for Elected Officials*

*includes a person appointed to fill a vacancy in an elective public office

Elected officials may:

- advocate a political position at any time. Elected officials are not considered a “public employee” for purposes of ORS 260.432. ORS 260.432(4)(a).
- vote with the other elected officials of a governing body (such as a school board, city council or county commission) to support or oppose a measure, and publicly discuss such a vote—but must not use the public employee staff time to assist in this, except for ministerial functions
- perform campaign activity at any time, however must take caution not to involve any public employee’s work time to do so

Elected officials may not:

- in the role of a supervisor, request a public employee—whether the public employee is on or off duty—to perform any political activity

A request made by a person in a position of supervisor or superior is viewed as a command for purposes of this election law.

- have an opinion piece or letter advocating a political position published in a jurisdiction’s newsletter or other publication produced or distributed by public employees

ORS 260.432 Quick Reference— Restrictions on Political Campaigning for Public Employees

Generally, ORS 260.432 states that a public employee* may not, while on the job during working hours, promote or oppose election petitions, candidates, political committee or ballot measures. Additionally, no person (including elected officials) may require a public employee (at any time) to do so.

*A “public employee” includes public officials who are not elected, whether they are paid or unpaid (including appointed boards and commissions).

As used in this Quick Reference

We use the phrase “advocate(s) a political position” to mean—promote or oppose an initiative, referendum or recall petition, candidate, political committee or ballot measure.

The term “impartial” means equitable, fair, unbiased and dispassionate.

See the Secretary of State’s detailed memo on ORS 260.432 for specific factors to assist in ensuring impartiality in communications about ballot measures. It is posted on the website under Publications.



For more detailed information about ORS 260.432 and information about other election laws, contact:

Elections Division	phone	503 986 1518
Secretary of State	fax	503 373 7414
255 Capitol St NE, Suite 501	tty	503 986 1521
Salem OR 97310	web	www.oregonvotes.gov

Prohibited Activities

A public employee, while on the job during work hours may not:

- prepare or distribute written material, post website information, transmit emails or make a presentation that advocates a political position
- collect funds, prepare filing forms or correspondence on behalf of candidates or political committees
- produce or distribute a news release or letter announcing an elected official's candidacy for re-election (except for an elections official doing so as an official duty) or presenting an elected official's political position
- make outgoing calls to schedule or organize campaign events or other political activity on behalf of an elected official or political committee (however, a scheduler may, as part of official duties, take incoming calls about the official's availability and add an event to the schedule)
- grant unequal access to public facilities to candidates or political committees
- direct other public employees to participate in political activities, when in the role of a supervisor
- draft, type, format or edit a governing body's resolution that advocates a political position (except to conform the resolution to a standard format)
- prepare or give recommendations to the governing body urging which way to vote on such a resolution
- sign such a resolution, except if the signature is only ministerial and clearly included to attest the board took the vote
- announce the governing body's position on such a resolution to the media
- include the governing body's position or vote on such a resolution in a jurisdiction's newsletter or other publication

A public employee who provides voter registration assistance under the federal National Voter Registration Act (NVRA) must not, when performing voter registration services, influence a client's political choices. This means no display of political preferences, including a restriction that no political buttons may be worn. ORS 247.208(3)

Allowable Activities

A public employee, while on the job during working hours may:

- prepare and distribute impartial written material or make an impartial presentation that discusses election subjects (using the guidelines provided in the Secretary of State's detailed manual on ORS 260.432.)
- The Secretary of State's Elections Division is also available for an advisory review of draft material about ballot measures produced by government agencies.
- perform standard job duties, such as taking minutes at a public meeting, maintaining public records, opening mail, inserting a proposed resolution into a board agenda packet, etc.
 - impartially advise employees about possible effects of a measure, but not threaten them with financial loss to vote a particular way
 - address election-related issues while on the job, in a factual and impartial manner, if such activity is legitimately within scope of employee's normal duties
 - as staff of an elected official, handle incoming calls about the official's availability for political events
 - prepare neutral, factual information for a governing body to use in determining what position to take on an issue (planning stage of a governing body's proposed issue before certified as a measure to a ballot is not subject to ORS 260.432)
 - in a clerical manner, incorporate amendments into a finalized version of a governing body's resolution on an issue
 - respond to public records request for information, even if the material advocates a political position
 - wear political buttons subject to applicable employer policies unless the public employee is providing voter registration services under NVRA, where additional restrictions apply - see note on previous page about ORS 247.208(3).

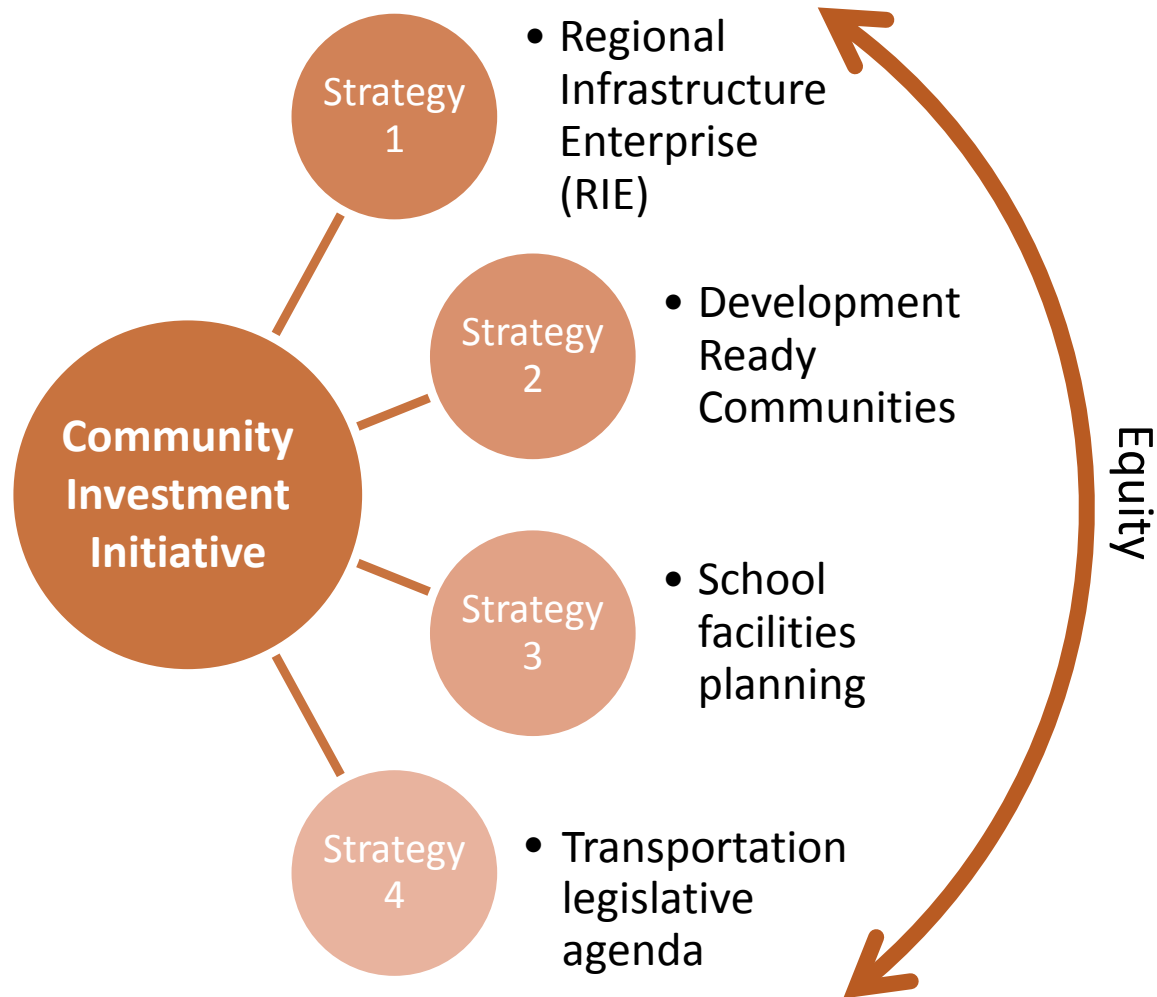
CII ANNUAL REPORT AND RIE BUSINESS PLAN

Metro Council July 16, 2013

Introductions and objectives

- Introductions
- Objectives:
 - Provide overview of the CII Annual Report and the RIE Business Plan
 - Assess Metro's interest in implementing the RIE Business Plan

What is the Annual Report



What is the Annual Report

2012 CII Strategic Plan



2013 CII Annual Report and Appendices

- Strategic direction for CII's work, including focus areas
- Outlined plan to further develop each focus area

Outlines

- Achievements of the last year, including key tools and deliverables
- Implementations plans for each of the strategic areas
- Partners involved in CII work to date
- Partnerships cultivated to continue implementation

REGIONAL INFRASTRUCTURE ENTERPRISE DRAFT **BUSINESS PLAN**

What is it?

- Audience: proposed implementers and business community
- Pulls it all together
- Prompt for dialogue
- Executive summary for marketing
- Full plan and attachments for more detail

What's in it – the need

- What's the nature of the infrastructure problem
- Who else is operating in this space
- How does RIE fill this niche
- How RIE connects to other regional economic development strategies

What's in it – our approach

Phase 1	Phase 2	Phase 3
Demonstrate ability to deliver projects <ul style="list-style-type: none"> Establish governance Facilitate delivery of 1-3 demonstration projects w/ existing funds Refine Phase2 business model Phase 2 project and funding proposal 	Work with regional partners to secure on-going funding for investments <ul style="list-style-type: none"> Secure dedicated public funding Implement a regional project package Leverage public funds to access other public and private funds Make additional investments 	Complete public-private investment program <ul style="list-style-type: none"> Establish an investment arm to directly utilize private capital

What's in it – our approach

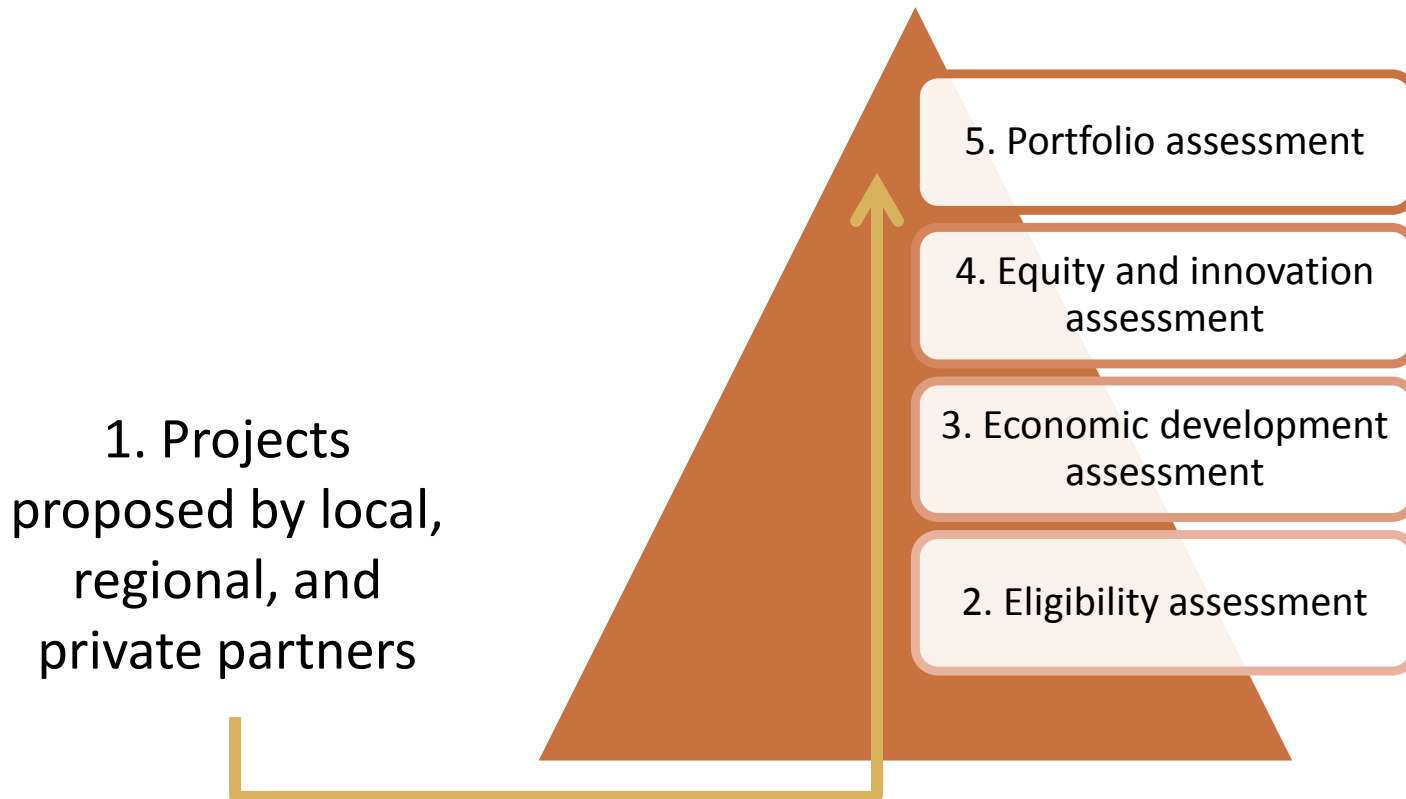
- Types of projects RIE will invest in
- The role of public private partnerships
- Who are RIE's customers
- Why a phased approach
- Detailed critical activity by phase

What's in it – projects and services by phase

- General services
 - Technical assistance on pre-development; finance structuring; direct funding
- Phase 1 projects: demonstration project candidates
 - Industrial and center projects
 - RIE will facilitate delivery of 1-4 projects

What's in it – projects and services by phase

- Phase 2 projects: evaluation process and criteria for ongoing investments



What's in it – governance

- Governance guiding principles
 - Accountability and transparency; mixed governance; respect for multiple forms of ROI; etc)
- Board of Director characteristics
 - formal skills (private capital and equity financing; infrastructure development and delivery, legal; etc)
 - informal attributes (diversity; civic leadership; regional thinking; etc.)
- Composition and implications by phase

What's in it – governance

- Legal structure
 - RIE = intergovernmental agreement between Port and Metro
- Phase 1 RIE Board of Directors
 - 7 skills-based voting members nominated by Greater Portland Inc (GPI), Port and Metro
 - 3 non-voting Board liaison from Metro, Port, and MPAC nominated by Port, Metro, and GPI
 - All nominations confirmed by Metro and Port
- Third party oversight committee or periodic review

What's in it – finance and resources

- **Phase 1** = Metro and Port provide resources to support RIE; Board and staff to pursue public and private funding on behalf of demonstration projects
- **Phase 2** = Metro and Port and possible other sponsor(s) provide resources to support RIE; a finance strategy to execute a larger Phase 2 projects package; private capital on project specific basis
- **Phase 3** = a more direct funding approach for private capital investments that produce a financial ROI in addition to a public benefit

What's in it – measuring success

- The Performance and Equity Measurements group's tiered approach to tracking and assessing progress:
 - **Tier 1:** Is RIE executing its work plan?
 - **Tier 2:** Are individual RIE investments delivering on their promises?
 - **Tier 3:** Is RIE *contributing* to regional outcomes like increased per capita income, decrease in poverty and increase in living-wage job creation?
 - Targets linked to Oregon Business Plan

What's in it – risks and mitigation

- Skills of the Board of Directors and staff are essential
- Metro and Port budgets and staff support implementation
- Phase 2 is dependent on successful implementation of a broader funding strategy
- Creating regional support for RIE is key
- Complete list in September

Next steps for implementation

- CII finalizes Business Plan – 9/24
 - Change name
- Build support
 - Business groups
 - Community groups
 - Public agencies
- Metro, Port, and GPI consider implementation and execution of IGA
- CII as sounding board for implementation partners

Questions before you

1. Clarifying questions
2. Priority stakeholders
3. Metro Council process to consider implementing the RIE Business Plan
4. Other questions