



CITY OF  
**PORTLAND, OREGON**

OFFICIAL  
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **27TH DAY OF MARCH, 2002** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners, Hales, Saltzman and Sten, 4.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ben Walters, Senior Deputy City Attorney; and Officer Michael Frome, Sergeant at Arms.

Items No. 298 and 299 were pulled for discussion and on a Y-4 roll call, the balance of the Consent Agenda was adopted.

<b>COMMUNICATIONS</b>		<b>Disposition:</b>
276	Request of Darrell Goodall to address Council regarding a petition to deny overview authority of the Luxury Transportation Industry by the City (Communication)	<b>PLACED ON FILE</b>
277	Request of Phil Rilling to address Council regarding Limited Passenger Transportation (Communication)	<b>PLACED ON FILE</b>
<b>TIME CERTAINS</b>		
278	<p><b>TIME CERTAIN: 9:30 AM</b> – Accept Assessment of Performance Measures of the Police Bureau Internal Affairs Division by Campbell DeLong Resources, Inc. (Report introduced by Mayor Katz)</p> <p><b>Motion to accept the Report:</b> Moved by Commissioner Saltzman and seconded by Commissioner Hales. (Y-4)</p>	<b>ACCEPTED</b>
*279	<p><b>TIME CERTAIN: 10:15 AM</b> – Amend the Zoning Code to add a conditional use criterion for natural resources in the Aviation and Surface Passenger Terminals Section, which includes Portland International Airport (Ordinance introduced by Mayor Katz; amend Title 33) (Y-4)</p>	<b>176351</b>
280	<p><b>TIME CERTAIN: 10:45 AM</b> – Amend City Code, Property Tax Exemption for Residential Rehabilitation and New Construction of Single-Unit Housing in Distressed areas, to carry out the recommendations of the Housing and Community Development Commission (Ordinance Introduced by Mayor Katz and Commissioner Sten; amend Code Chapter 3.102)</p>	<p><b>PASSED TO          SECOND READING          APRIL 3, 2002          AT 9:30 AM</b></p>

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<p><b>281</b> Establish \$160,500 as the maximum price for a newly constructed single family house eligible for limited property tax exemption in a distressed area (Resolution introduced by Mayor Katz and Commissioner Sten)</p>	<p align="center"><b>CONTINUED TO APRIL 3, 2002 AT 9:30 AM</b></p>
<p align="center"><b>CONSENT AGENDA – NO DISCUSSION</b></p>	
<p><b>282</b> Statement of cash and investments February 14 through March 13, 2002 (Report; Treasurer)  (Y-4)</p>	<p align="center"><b>PLACED ON FILE</b></p>
<p><b>283</b> Amend Contract No. 40570 with American LaFrance Northwest, Inc. to furnish fire apparatus for \$671,867 (Purchasing Report - Bid No. 99682)  (Y-4)</p>	<p align="center"><b>ACCEPTED</b></p>
<p align="center"><b>Mayor Vera Katz</b></p>	
<p><b>284</b> Endorse and participate in a process to consider the issues of public service provision and governance in the Damascus/Boring area (Resolution)  (Y-4)</p>	<p align="center"><b>36064</b></p>
<p><b>285</b> Authorize Intergovernmental Agreement between the City of Fairview Oregon Police Department and the Portland Police Bureau to provide access to the Portland Police Data System (Ordinance)</p>	<p align="center"><b>PASSED TO SECOND READING APRIL 3, 2002 AT 9:30 AM</b></p>
<p><b>*286</b> Authorize Intergovernmental Agreement between Portland State University and the Portland Police Bureau to provide PSU Campus Public Safety with access to the Portland Police Data System (Ordinance)  (Y-4)</p>	<p align="center"><b>176337</b></p>
<p><b>*287</b> Authorize Intergovernmental Agreement between the Port of Portland and the Portland Police Bureau to provide access to the Portland Police Data System (Ordinance)  (Y-4)</p>	<p align="center"><b>176338</b></p>
<p><b>288</b> Authorize Intergovernmental Agreement between the Oregon Department of Human Services, Child Abuse Hotline and the Portland Police Bureau to provide access to the Portland Police Data System (Ordinance)</p>	<p align="center"><b>PASSED TO SECOND READING APRIL 3, 2002 AT 9:30 AM</b></p>
<p><b>*289</b> Amend Intergovernmental Agreement with Northwest Power Planning Council to extend contract to June 30, 2002 to complete the Salmon Restoration Analysis (Ordinance; amend Contract No. 33431)  (Y-4)</p>	<p align="center"><b>176339</b></p>
<p><b>*290</b> Contract with E.D. Hovee &amp; Company for an amount not to exceed \$75,000 to provide research and analysis for the Portland Harbor Industrial Lands Study and provide for payment (Ordinance)  (Y-4)</p>	<p align="center"><b>176340</b></p>

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<p><b>*291</b> Contract with CorVel Corporation to perform medical bill auditing and other related services for the Risk Management Division of the Bureau of General Services (Ordinance) (Y-4)</p>	<p align="center"><b>176341</b></p>
<p><b>*292</b> Amend agreement with Group MacKenzie to provide architectural and engineering services for design and construction of Fire Station 12, and provide for payment (Ordinance; amend Agreement No. 33187) (Y-4)</p>	<p align="center"><b>176342</b></p>
<p align="center"><b>Commissioner Jim Francesconi</b></p>	
<p><b>293</b> Accept contract with Nielsen Dillingham Builders, Inc. for Mt. Scott Community Center and Park improvements as substantially complete, authorize final payment and release retainage (Report; Contract No. 32109) (Y-4)</p>	<p align="center"><b>ACCEPTED</b></p>
<p><b>*294</b> Amend contract with Kurt Lango, Landscape Architect to expand scope of services and increase contract amount by \$7,000 (Ordinance; amend Contract No. 32708) (Y-4)</p>	<p align="center"><b>176343</b></p>
<p><b>*295</b> Authorize agreement for acquisition of the Smollinski property at 8417 N. Brandon Avenue in the Kenton Neighborhood as an addition to Kenton Park (Ordinance) (Y-4)</p>	<p align="center"><b>176344</b></p>
<p><b>*296</b> Authorize agreement for acquisition of a 7,000 square foot parcel of property owned by Raymond R. and JoAnne Dunford located on the mainstem of Fanno Creek in the Fanno Creek Regional Target Area (Ordinance) (Y-4)</p>	<p align="center"><b>176345</b></p>
<p><b>*297</b> Contract with Santa Fe, Inc. for operation of a food concession in the South Parks Blocks (Ordinance) (Y-4)</p>	<p align="center"><b>176346</b></p>
<p><b>*298</b> Apply for a grant of \$372,300 from the Federal Emergency Management Agency for Portland Fire and Rescue (Ordinance) (Y-4)</p>	<p align="center"><b>176350</b></p>
<p align="center"><b>Commissioner Charlie Hales</b></p>	
<p><b>*299</b> Adopt a fee schedule for State of Oregon mandated plumbing permits for medical gas systems and one and two family dwelling residential fire suppression systems (Ordinance)</p>	<p align="center"><b>CONTINUED TO APRIL 3, 2002 AT 9:30 AM</b></p>
<p align="center"><b>Commissioner Erik Sten</b></p>	

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<b>*300</b> Amend Intergovernmental Agreement with the City of Gresham, Oregon for participation in the Portland HOME Consortium and provide for payment (Ordinance; amend Agreement No. 33903) (Y-4)	<b>176347</b>
<b>*301</b> Amend agreement with Fair Housing Council of Oregon by increasing available funding by \$30,024 and provide for payment (Ordinance; amend Agreement No. 33944) (Y-4)	<b>176348</b>
<b>*302</b> Amend contract with The Ultimate Software Consultants, Inc. for \$65,000 and authorize payment (Ordinance; amend Contract No. 33416) (Y-4)	<b>176349</b>
<b>REGULAR AGENDA</b>	
<b>Mayor Vera Katz</b>	
<b>303</b> Pay civil rights claim of Judith Ritt (Ordinance)	<b>PASSED TO SECOND READING APRIL 3, 2002 AT 9:30 AM</b>
<b>*304</b> Allow the towing and impoundment of vehicles operated by intoxicated drivers, drivers fleeing or eluding police, and drivers who participate in speed racing and drive recklessly, and to conform code provisions to state statute (Ordinance; amend Code Chapter 16.30) (Y-4)	<b>176352</b>

At 1:28 p.m., Council adjourned.

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**WEDNESDAY, 2:00 PM, MARCH 27, 2002**

**DUE TO LACK OF AN AGENDA  
THERE WAS NO MEETING**

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GARY BLACKMER  
Auditor of the City of Portland

By Karla Moore-Love  
Clerk of the Council

For discussion of agenda items, please consult the following Closed Caption Transcript.

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**Closed Caption Transcript of Portland City Council Meeting**

This transcript was produced through the closed captioning process for the televised City Council broadcast.

Key: \*\*\*\*\* means unidentified speaker.

**March 27, 2002 9:30 AM**

**Katz:** Good morning, everybody. The council will come to order. Karla, please call the roll. [ roll call ]

**Katz:** Commissioner Francesconi is on vacation. Item 276.

**Item 276.**

**Moore:** He will not be here.

**Katz:** All right. 277.

**Item 277.**

**Moore:** He will also not be here.

**Katz:** All right. 278.

**Moore:** Do you want to do the consent?

**Katz:** Oh. Sorry. Consent items to be removed? I have item 298 and 299. Any other consent agenda items to be removed for discussion? Anybody in the audience? Roll call on consent agenda items.

**Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye.

**Katz:** Mayor votes aye. [ gavel pounded ] item 298.

**Item 298.**

**Katz:** Commissioner Saltzman, you pulled this?

**Saltzman:** Yes, I pulled it because I wanted more information. This is the first and maybe the only grant we're submitting for the \$360 million that fema has for emergency assistance and I was curious to know why we chose as -- is it wellness training for firefighters?

**\*\*\*\*\*:** A health, wellness, fitness --

**Saltzman:** I was curious to know why we chose that of all the categories related to emergency preparedness and I was wondering if it was driven by, do we need a 30% match and that's the only thing we could come up with, or were there other things we could have also perhaps have a higher priority according to the council? I don't think wellness training was really high up on our list of prioritized investments for emergency preparedness. I guess, were there other things of higher priority that we might have gone after? I know the deadline is april 1st so we can't change it now, but I would like more explanation about how it fits in our priority list and why we chose wellness and what's the matching fund on that choice.

**Kevin Jeans-Gail:** Good question. Commissioner, for the record, my name is kevin, I work for commissioner Francesconi. On my left is john, the safety officer for the bureau, and katy pruder, also with fire and rescue. What I wanted to do very briefly is just say that that question is a reasonable one, it's one we asked ourselves. In addition to public information, the chief has asked katy pruder to now also be a grant writer and track all grants and federal opportunities for grant. So this is a question we asked ourselves. We actually sent katy to a week-long training session in southern california last week to talk about opportunities to fund the list that we presented to council on february 20th as part of our emergency preparedness package. So she's going to respond to your question and then if council has a moment i'd like john to talk about why we're applying for this grant.

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**Saltzman:** Okay.

**Katie Pruder, Bureau of Fire and Rescue:** Katy pruder with fire. Commissioner Saltzman, your question is the first one I asked as well. Could we use the funds to partner with some of our other partners in public safety. Specifically after 9-11. The answer was, actually, no. This money was identified by the federal government before the 9-11 incident and it specifically targeted for firefighters and a lot of it will go to smaller departments to buy fire engines and things like that. And this is not in lieu of us supplying -- applying for other money for some of the issues identified by the emergency preparedness council. There's large chunks of money coming down the federal pipeline. That will be specifically targeted for homeland security, and we're working closely with our emergency managers to go after those funds, which will be more appropriate than using this money, which is specifically for firefighters. And how we identified the wellness program specifically was, these -- they had very specific guidelines, and scores on how they would rate us. And, for instance, we wouldn't really qualify to get any equipment because we already have a lot of equipment and they wanted to kind of give smaller fire departments equipment. Where we would rate high is in a wellness program, and that's also been a priority of ours, which chief columbia will talk more about why that is a priority for chief wilson specifically. I wanted to let you know chief wilson did go to Washington, d.c. And testify to the senate committee regarding the first responder initiative, which will be giving \$3.5 billion to first responders. So we're looking to that and other sources to meet the needs of the emergency preparedness council.

**Saltzman:** Okay. Good answer.

**Katz:** Let me follow up with one. The \$50,000 match comes from risk management. There's no guarantee, though, that the following year you'll have a \$50,000 discount.

**Pruder:** That is correct. And we brought our financial analyst to come --

**Katz:** I just want to know where you think you may get the money if in fact your liabilities are that high that there is no accident. -- discount.

**Pruder:** A couple things. One is that there is a process, existing process at risk management where a committee meets and decides if we don't get the money, there's always an opportunity to turn down the grant. That's number 1. Number 2, currently we probably lose about a half a million dollars a year in general fund dollars because of work -- lost work days. So we anticipate that the committee would take that into consideration. Thirdly, last year fire and rescue got \$45,000 from risk management. So it's reasonable to expect that that money might be there again. John, do you have something else to add?

**Katz:** Thanks, that was helpful.

**John Klum, Portland Fire Bureau, Safety Loss Control Officer:** I'm John Klum, Portland fire bureau, safety loss control officer. Just a little background on risk incentive funds and where we're at for this particular year. Our general liability workers' comp and fleet is down substantially from last year. Our time loss injuries right now with what wellness program we have in effect has been reduced 37%, which equates to less lost days, which is a substantial amount of money. When Katy and I got together recently to determine the actual dollar cost associated with this time loss, it was right below a half a million dollars just for the fire bureau alone. And when you figure that most of the injuries, we had 395 injuries in the year 2001, 249 of those were muscular skeletal injuries that could be prevented or addressed through aggressive health wellness program, which right now we are -- do not have in effect. Which resulted in 614 of those lost days, which is a substantial sum of money for the fire bureau and the city itself. Right now we had the opportunity, we're in year two of a three-year study grant from Oregon health sciences university, the acronym is flame, f.l.a.m.e.. It sets up a baseline for line firefighters to determine their cardio fitness, it addresses the nutrition and physical fitness access, cholesterol, miscellaneous other tests on it. And just in the past year, they've found 60-plus heart abnormalities in our sworn firefighters, seven of those to this date have

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resulted in substantial interventions, up to and including bypass surgery. So what we're looking at as far as the cost effectiveness in the -- and the advantage to the taxpayers of the city of Portland, if we can be pro active as our work force is getting younger and younger, that we can instill this health wellness by providing them with education, training, the screening, the health appraisal, the immunizations, and to get them to develop better eating habits, better physical fitness, we will see a drastic reduction in these injuries, and long-term health effects from cancer and cardiac related that will equate to dollar savings. The estimate on wellness fitness programs that have been initiated by the major cities in the united states have said that it's up to \$3 benefit for each dollar invested in health wellness over the long term.

**Saltzman:** That's great. I certainly didn't mine to downplay the significance of health and wellness preparedness -- training. My question simply was, if there were higher priority items on our list, why weren't we going after those. But you explained. This grant was pre-9-11 so it doesn't apply necessarily to some of the first initiatives and other things that are high priorities.

**Katz:** Okay. Thank you. Anybody else want to testify on this item? Roll call.

**Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye.

**Katz:** Mayor votes aye. [ gavel pounded ] 299.

**Item 299.**

**Hales:** I don't know why this was pulled.

**Katz:** Your office wanted to continue it to next week.

**Hales:** I'm sorry, I didn't know that.

**Katz:** Contractors would like more time to review the contracts.

**Hales:** Okay.

**Katz:** Any objections? Hearing none. [ gavel pounded ] all right. 278.

**Item 278.**

**Katz:** As the chief and mr. Campbell come up, let me just say that we were interested in having campbell and associates review our iad process to make sure that we do a thorough work on investigations of iad complaints, that we develop some benchmarks, and you'll hear the chief talk about that in a minute, and to demonstrate our ability to identify problems and correct them. And let me now introduce chief kroeker, who will introduce john.

**Mark Kroeker, Chief of Police:** Thank you, mayor. Mark kroeker, chief of police of Portland. As we launched into this expansion of iad, and implemented the measures that we believed were very important, the question arose as to, are we being effective, are we having a return on our investment, so it is with that question that we reached out to campbell delong and john campbell, and his team to have a good look at our systems and to see whether in fact the investment that we had made in personnel actually taking sergeants out of field supervision and putting them into internal affairs division, and expanding that division without budgetary support, whether this was paying off. And he did this work, and he did it very, very well. In the process also we're looking at a performance measure report that does report how we are doing. This performance measure will be coming before the city council according to the mayor's interests in the future, but as I refer to this in my response to john's report, i'll be talking about these performance measures, because they do track our performance in response to our strategy plan, and answer the question of, are we really getting better at what we do in serving the community. And generating and enhancement in our complaint picture. Are we getting fewer complaints and are we dealing with those that we do get. And so as we looked at this report, then our objective was to identify and correct the problems. I initiated this analysis because I wanted to make sure that we pursued a very clear objective, and that is to look at what is it that we can learn from these complaints, what are the concerns of the investigations and how can we make improvements. And so with that, i'm pleased to say that the



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report was produced, a very fine report, I do agree with the recommendations of it, and I would like John Campbell to present it to you, with your permission.

**Katz:** Before I get to John, Chief, there is a memo from Captain Darrell Shenk to Assistant Chief Kirkland. Does everybody have that in terms of the response to the report? Take a look at it.

**Kroeker:** Essentially I'll be going through that.

**Katz:** Okay. Good. I wanted to make sure that the public knew what your response was. John, go ahead.

**John Campbell, Campbell Delong Resources:** Mayor, Commissioners, I'm John Campbell with Campbell Delong, and I understand about 20 minutes have been allotted for me to go through this. The presentation will look at just briefly the methods, what did we look at, and look at the findings and recommendations, including whether or not we have been effective in accelerating the investigations at IAD, improving performance measures, and we have recommendations for that, we have data display issues, and data collection needs. The major question was both how are we doing and how can we better understand how we're doing. We wanted to look at both of those questions. The key objectives here was first to review and analyze the existing IAD data to evaluate the impact of adding five sergeants in the fall of 2000. Because as the effort to accelerate IAD investigations came online with the additional sergeants, the question is, is that having an effect and how do we know and can we show what effects have happened as a result of that. Also recommendations regarding performance measures so we can track and measure this more effectively in the future, and to suggest some draft officer and complaint surveys that have been referred to the Auditor's office and the office of the -- of IPR, Independent Police Review, to track those customer service issues. The process we viewed managers, IAD staff, existing data, related materials, and other external data, and conducted analysis and prepared the drafts. The first question we had to look at was since five more sergeants were added to the staff in the fall of 2000, has the Bureau's ability to process complaints in an effective and timely manner improved. This question may sound simple, but it involved looking deep into what's the data available, how do we track complaints, what's the nature of the data and how do we look at these statistics. And I wanted to make a few comments about that's of this kind of data, and show you what the findings are. The report covers much more about these kinds of issues. One of the things we looked at immediately, because it's easy to pull out, is average and medians with average length of time. In looking at this kind of complaint tracking data, generally averages and medians aren't going to be that effective because things take a while to close at the back end. You can look for example and discover that six out of ten IAD complaints are concluded within three months, eight out of ten within six months. Those are impressive numbers, but it's that two out of ten that everybody's worried about that go beyond six months, and we need to look at those. If we look at averages, what you see pretty quickly is that it doesn't show us very much. The median length of time to close an internal affairs division case, in the second half of '99, first half of 2000, second half of 2000, first half of 2001, there's not much conclusive information there. We had looked at this information and people talked about averages and medians and we realize this isn't the way to look at this data as we walk through this. To go on to what the actual impact is, we began to look at the question, how many cases have been opened at the end of each quarter that have been open longer than six months and longer than a year? Look at the length of time to closure to get an idea of the impact of the -- adding the sergeants. We kept hearing externally people would say, it doesn't take very long, or it's taking too long. The PIIAC report was saying the police Bureau's internal affairs investigations were taking if anything longer than they had since the sergeants were added, and internally people were very enthusiastic. They were saying, this is going much more quickly, it's much more effective. The internal affairs investigation work is going much more effectively. And we needed to look at what the answers were. What we found is that the speed has improved, but the total time to closure is only beginning.

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I think we can understand the difference between the external and internal perceptions, if you will, by looking at this chart. What the chart shows is for each quarter starting with the first quarter of 2000, the number of cases that had been opened longer than six months internal affairs cases of the Portland police bureau, if you look at first quarter of 2002, you see that 74 cases had been open longer than six months when the quarter closed at the end of 2000. Of those 74, 68 were still in the internal affairs division's process. The reason why they were open at least six months was because the internal affairs division had not concluded its work. So the 68 is a subset of the 74. Only six cases were still not closed because there was additional steps to be taken within the bureau, such as the commanders issuing a finding based on the results of the internal affairs division work, the review level work that happens in the personnel division, writing a letter to the officer, and the other steps that happen outside of the iad division. What you see if you look at this chart is in the third quarter of 2000, when the sergeants were added, what you see regarding the blue bars is what researchers like to see is a nice linear progression. You can see it stepping down, you can look at that and say -- see why internally the bureau has said that the investigations have gone much more quickly, that the sergeants are -- have been very effective at reducing the backlog and getting the length of time to closure down considerably there. So you see very -- the cases are moving quickly out of iad. What you also see is the reason why public and internal perception is that it's still taking a long time, because the gray bar takes -- tells you how long it takes for the case to become completely closed. The chief's review level has not been concluded, personnel division hasn't taken their steps or the city attorney's office is still reviewing paperwork. That gray bar is just beginning to decline. The internal and external perception is fundamentally, the entire process that the bureau is responsible for has not -- did not become faster during that time period, but the internal affairs division process had become faster. So the answer is certainly part of the problem had been solved, but not the entire problem. If we look at the same data but now we're slicing it based on the year. How about cases open for a year or more at the end of each quarter, you can see basically the same relationships there. So the finding that we see here is that while on the one hand the bureau had been effective at accelerating investigations, it may be simply a case of getting a lot more workload, sort of the animal moving through the snake if you will, it takes a little while to get that work through, but there's definitely an issue here with the bureau itself still not getting them done faster, which is why public perception works that way. To look at the difference here, if you look at the first quarter of 2000 compared to the first quarter of 2001, this basically encompasses the piiac report that had a finding that the bureau was not taking -- was not doing reports any faster or not concluding investigations any faster. In fact, if anything, was slower. The gray bars are the same height or even higher for the first quarter of 2001, while the blue bars are going down. This was helpful once we found out this information, but because -- because it explained the extreme difference between internal perception at the bureau and external perception and the facts are that the cases were not in total being closed significantly more rapidly. But you see the gray bar decline beginning. Then we began to look at how to improve performance measures, how can performance measure data be improved to do a better job. There is a lot of challenges looking at how to pull out this information and how to better track this. Which begins with understanding what do citizens want to understand, how does the community need to respond to this information. We had key measurement information to understand what should this performance measure data be. And we begin with the point that effective performance measures must be built on a full understanding of iad's mission. Certainly the core mission is to identify problems that would not be found without a complaint driven system. We need to find those problems and when we have officer misbehavior and address those. The mission, however, should not add to the problems. We certainly found as we began to talk with folks, increased officer resentment and citizen mistrust. The officers have another reason to resent management because they feel they're being unfairly accused, citizens have

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another reason to resent police because they feel the process is too slow or laborious or they're being mistrusted. On both sides you can find those kinds of emotions starting to develop that actually lead to overtime, more complaints if you look at the research on internal affairs work and how that works. So we need to track how effectively we are addressing all complaints. Not just sustainable ones, but all complaints so we're more effectively working with the community on all of those different levels. We also found very clearly that the measure should help bridge what we call the credibility gap with the public. Certainly there are perceptions internally about the bureau about how effectively the work is being done that do not match with external perceptions on the bureau. On the one hand we found a number of positive things are happening within the bureau. The consultant looking at this, we were expecting higher level of cynicism, and as we talked to a number of people in iad, we found a high level of commitment to doing a professional job, people generally interested in making sure the bureau isn't misbehaving out there. And some very effective work done with that. A number of examples, more effective practices put in place. Better letter writing, better communicates to the citizenry to the complainant, intake specialists taking the time to explain police practices and procedures, and iad has certainly improved its management of cases. But many other examples of real genuine improvements happening. We looked at these improvements and saw a quite -- quite a contrast with how the bureau was received externally and we need to look at what is the bureau doing such that perception is there. We see three factors that support that. The first is historically the bureau's commitment to internal affairs has not been adequate. There's a stigma associated with the work, it was considered a career purgatory to be placed in internal affairs. There was a point that a system within detectives, they called it essentially a lottery, the loser had to work in the internal affairs division. So these were not attractive positions. A fair amount of that has been addressed. Now there's actually attractive incentives for working there and a little different attitude around it. I'd say a bit different, there's certainly a stigma around iad work. Recent backlogs are examples. Those lead to a perception that the commitment hasn't been high historically. Long investigations certainly hurt credibility with everyone. Officers don't appreciate the length of time they feel they are in a sort of purgatory while they're waiting what their punishment may be. The national reputation of police departments, the fact that public perceptions do not change quickly are certainly things that count against the bureau in matching public perception with what's happening internally. The other issue is this. The bureau is not addressed with the public wants to know. On the one hand citizens want to know how many complaints are legitimate or sustained, what are the consequences, are debriefings meaningful, what else is being done. Those are the core questions you'll hear externally, very legitimate questions. The information you get from the bureau is the number of complaints received, percentages declined, and the speed with which cases are closed. Those two don't exactly match. There's some frustration that builds with either side. We need to look at how the bureau is communicating. Measures should also track more of what officers want to know. We want officers to make sure their faith in the system is high as well. Most of their concerns overlap with what citizens' concerns are. They want to know is the process fair, is it fast, and what are the consequences associated with misbehavior that is found sustained. They also want to know about an issue that is important to officers, perhaps less so to the community, but officers have a concern about dealing with dishonest chronic complainers. The perception whether that is one per month or quite a few per month, the perception that a correct me if i'm chronic complainer who is filing false complaints is giving -- given too much credibility, and undermine the validity of the system in the officers' minds. So we need to report effectively on that. A method to report on corrective steps is needed. All parties want to know what discipline steps have been implemented, and what is the -- has the bureau learned and how has the organization responded. These issues are not readily known to most folks, and we need to fill that in. So we look at how to answer these. We need to go beyond anecdotes.

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There are many of those. We talk to people, gee, what kind of corrective steps have taken and many people in the bureau were saying, a lot of things have happened, and they refer to, we no longer strand motorist if we impound their cars on the highway, or a variety of other steps have been taken to improve procedures. But it's all anecdotal. We're not finding master lists where that is there. We need to track that. We're certainly recommending negative reinforcement steps taken. We need to document what those are. Disciplinary action taken, done in aggregate if necessary in order to make sure people are aware what actually happens, so that people are aware of what actually happens with the officer. And what we find is that so strong is the need to know that both citizens and officers tend to fill in their own answers based on inaccurate or incomplete information. The myth among the officers is terrible discipline is happening for minor things, the myth among the citizen assist that no discipline may happen if you go to the extremes on both ends. People fill in their own answers, rumors spread and we've got a lot of misinformation on both sides. Since both sides are already sharing information about the degree of discipline, it would be better if it were accurate. We need to be clearer about it, say what it is, rather than the policies that have let privacy completely trump reporting that information. And corrective examples, others we said, negative, also positive reinforcement steps taken. Feedback loops to officers showing benefits of effective reporting and communicating. We're going back to officers and saying, you did a good job in dealing with that situation. Iad sergeants attending roll calls and coaching them on what they found, some of the issues coming up. That's happening in the bureau, but there isn't as much communication about that externally. A core question that was asked a few months ago is, what has the bureau learned from iad complaints? How has the bureau changed as a result of what they've learned? We need to report on these, changes and policies and practices, and keep a record of those changes, because that is really the core question that a responsible citizen would most want to know. It isn't just, do I don't justice for my complaint, but even if there isn't justice for my complaint, if as a result of my complaint the bureau changes behavior so whatever happened is less likely to happen in the future, that's the core desire most responsible citizens would be looking for and we need to be reporting on that, the bureau needs to be reporting on that more effectively. Implementing and tracking efforts to reduce complaints unrelated to misbehavior is also important. There are two other complaints that we need to look at. One of those is complaints based on lack of understanding of police procedures. The city of Portland is providing a service that some citizens that may not necessarily understand what the police procedures are and how those processes work. When they call and report a problem with how police behave when they're actually behaving legitimately, that's a communication and a teaching and a partnership issue. That's an issue of, are we communicating effectively with citizens, are we having a good dialogue. The degree to which we're getting complaints based on misunderstanding of police procedures indicates that the city and the citizenry aren't communicating effectively about policing procedures and agreeing on what those should be. So we need to look at that and track that number as a symbol or an indicator of our -- complaints based -- provided by professional complainers. That certainly needs to be tracked. We noted credibility should be raised with all by speeding up the entire process. We need to find ways to reduce the number of different people who write about a case, for example. We noted, how long does it take, there are so different who need to write did it. The person who takes the complaint, the inbound take specialist, and then the investigators do their investigation, and the lieutenant or captain at iad, and the commander, if I do the list it's going to take quite some time. A lot of different people are writing about these and it requires people to be responsible to study the case, and all of that adds up to a number of people in a process legitimately good intention, but overall the total effect of the process is something that is taking too long and we lose credibility with that time and we need to look at --

**Katz:** And a lot of the information is repetitive.

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**Campbell:** Yes. Certainly. Certainly. But there's a need to -- with each person who writes about it, they feel they need to do their due diligence and be responsible. We also note considering methods to accelerate or decentralize discipline for the less serious allegations. This does not mean don't track those, or don't track what the discipline is or what happened or any of those issues, but it does mean we can build more credibility as well when citizens call in a minor complaint and they feel, boy, that took months just to go through that minor complaint. Or officers feel it was a minor complaint, can we accelerate how we're dealing with that discipline, again to make -- to cause us to be more efficient. Focusing on the length of the short cases as well there. Are some short cases that should be a good deal shorter. Both from the citizen side of, this isn't that big a deal, and the officers' perception of credibility of the system as well. Clarifying terms to better communicate with the public. When I began talking with the bureau about this, I kept hearing at the very end of the process when an officer is found they were -- the sustained complaint, we're going to give officers days off. And my reaction, not knowing bureau jargon, that sounds like a good thing. I'd like days off as well. We started talking about what kind of jargon are we using, because certainly maybe suspension without pay would be a more accurate statement, and as a discipline -- as a discipline step. Do we decline complaints or are we resolving them or declining them after preliminary investigation? Complaints are not declined just in the first phone call. In fact what happens is intake investigators look at it, look at 9-1-1 records, look at other pieces of information before a case would be declined. And we document the report with the -- what the reasons are. Do we treat closure as if that's an outcome or a process? You frequently see this in policing. Talk about cases closed, one has a sense of, I don't know what happened that it was closed. Did we find out something? Did we get to a conclusion? Did we learn something from that? We need to look at those differences. And we have data display issues as we wrap up the discussion here, we note for this type of data percentages often mask more than they reveal. When we started this we saw a number of different pie charts and graphs that looked at issues such as, percentages of types of allegations. So we have allegations and we have complaints. And within one complaint you have multiple allegations. But if you look at that, you could have use of force allegations be the same number of allegations from one year to the next, but you have service complaints, or some other less serious complaint go up considerably over the course between those two years. The result would be the percentage of use of force allegation was go down and look like we have less of that if we're showing those percentages in aggregate in that form. So we saw a number of different ways that are not appropriate to track the data and we talk about that in the report as well. Showing case outcomes based over closed cases for a given period, reporting period, are -- don't tell us the full story as well, because those cases that are open still after a long reporting period are the ones that are more likely to have sustained issues as well. And in general we said use raw numbers when the base -- there's much more detail in the report on that. One of the recommendations we have in the report is a way to standardize how to look at the allegations and complaints year to year. And to look at that in a way that is going to be trackable and understandable from, if you will, both sides, the community and internally with the police looking at that. One of the suggestions that's we heard and we think is valid is looking at complaints and allegations per contact that the police bureau makes. Because by doing that, otherwise the police have a disincentive to increase their number of contacts with the citizenry because they feel if they do that, maybe complaints will go up and will that be legitimate, or they could reduce complaints by having less contact with the citizens. Neither of those issues are desirable. So what we show is an example of how we could compare complaints and allegations per hundred thousand contacts. The bureau tracks their contacts both self-initiated contacts and contacts as a result of police calls per service, and what you can see, for example, is there were 218 total complaints from January to June 2000, per hundred thousand contacts the police bureau had. If you can to -- want to calibrate this, roughly 200,000 contacts in a year, if I'm

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recalling the data correctly. So we can calibrate that, compare to that and it gives us a way to track year to year. You're seeing simply an example. Some one could track year to year the total number of contacts we had and the number of come plants we had based on that. It would be a way to calibrate what the police are actually doing. If we have a new program, the police bureau isn't being penalized, they don't have a motivation to not talk to citizens to reduce the number of complaints.

**Saltzman:** What constitutes a contact?

**Kroeker:** A response to a radio call, a traffic stop, a response to a crime, a contact of some kind. Most of which, hundreds of thousands, most of which are recorded. So we know how many times we have that moment of truth with the public, and we know the numbers of complaints, we compare that in a ratio of 100,000, it gives us a little feel. It's a good idea.

Campbell: The reason we did it in a ratio to 100,000 is simply because that way it gets us into whole numbers to do that effectively. And on data collection needs, we said, many are noted in the report and we certainly recommend that with each complaint we should be tracking incident-specific corrective action, organizational action recommended, and cost benefit measures such as how long did the investigation take, and the quality measures. Satisfaction ratings. Which are currently not tracked and would be effective to add to the -- to the whole complaint tracking process. This information has always been reviewed with the auditors' office as they're looking at coordinating their information with iad to make sure we have better tracking in the future with that.

That was a rather hasty walk-through of a lot of information, I wanted to give you an overview. There's much more in the report and more in the hand-outs. But that -- that concludes the information.

**Katz:** Why don't we get the chief's response and then we'll open it up to questions. Because his response might answer a lot of your questions.

\*\*\*\*\*: Thank you, mayor.

**Katz:** Don't go away, john, because I have questions.

\*\*\*\*\*: I won't.

**Kroeker:** I'd like to begin -- I reiterate that as we in the police bureau looked at this report and gave it our good review, we concluded that it is sound, it has good recommendations, it pokes at us a little bit, and we're happy to respond in a way that we'll be constructive and developmental. I do want to point out as I begin a short little presentation here for you in response to john's report, that there are three principle goals of the police bureau that I really believe come into play here. Number 1 is, when it comes to the community as we pursue our community policing agenda of driving crime and the fear of crime down, that we must do that with enhancing our community and police relationship, and that is the third goal. That is our goal. Another goal that we have is to improve the capacity and quality of our people. It's a goal that we have and it's stated right in the strategy plan which I presented to you. And finally, we have a goal of improving every one of our processes. The investigation of complaints is a process in the organization, and so as we hear, for example, from a consultant who independently looks at how we're doing things and makes a recommendation to what we should do, we want to be responsive, and we want to improve this process of investigating this complaints, and we believe if we do so, we'll enhance the quality of our own people, and we will enhance the quality of the community and police relationship, which helps us to drive forward our community policing objective. That is a little statement and overture, if you will. Now, as we looked at our -- the report that john gave to us, first of all, I reiterate that we did increase the size of the iad division. Its objective was to improve the effectiveness. Five additional sergeants were added, as you know, as we have stated, and john reported on. And then we initiated this study. Answer the question, if you will, john campbell -- has what we have done improved on the impact of increasing our overall effectiveness of the division, or not? And in our opinion, this

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study was well researched, the recommendations were sound, and the response to this report we are initiating new processes and strategies in response to the recommendations. And so what I'd like to do very quickly and take you through the report with the ten report recommendations beginning with the first one, and that was to build an understanding and improve confidence with officers and a trust with the community. This is a high ideal, but we think it's worthy of pursuing and we can move in that direction. So to give you the bureau strategies that we're pursuing, number 1, we wish to close our complaints within 150 days. We believe this is realistic, and have set it as a benchmark and -- an achievable goal for us. We wish to communicate changes to bureau policy as a result of the investigation of the complaints. Otherwise, the complaint will be investigated and it will sit there and the organization will not be improved, or the perception of its improvement will not be there for us. We want to update the community on our complaint forms on the website so that when the community respond on the thousands of contacts that we have on the web, it will be very clear as to how to go about filing a complaint.

**Saltzman:** When you say close complaints, do you mean getting it out of the police bureau all together, not just out of aide? -- iad?

**Kroeker:** I was referring to the complaint form that is on the --

**Saltzman:** You said close complaints within 150 days. That means get it entirely processed through --

**Kroeker:** The entire process, including ours, including post-iad. That means high management impact, and those things that John recommended, like fewer people writing and studying, which is a I have fine recommendation, because you have to ask this question, are all these people really necessary in reviewing this, or can we accelerate this more rapidly to the point where it is signed by the mayor if it's disciplined, signed by me fits not, and we move on, and then respond to the community. So John's recommendation b was on our performance measures that we should give a balanced picture of the results. And this has been a concern of mine also. I have to say. And so I'm -- and in response to this with our bureau, our strategies, our objective is, improve the communication and make sure that our communities know that what the results are, and to get the word out in our neighborhood, our community meetings, with our block captains, with the bureau advisory groups, what the results are so that there's a balanced picture. And I have to say I'm very pleased with the independent review divisions revision of the complaint form that makes it a complaint and commendation form. I'm seeing commendation that's are coming in where there's balance in that way too. And as we look at now the software that we have in tracking, tabulating case management, we do need some additional data software. In the present budgetary conditions it's probably not the time to put that in, but it's a small item, and we'll look at that in July as we look at our new budget. There are some things that can be done to enhance, and to continue on, in our balanced picture, in our monthly performance measures report, which is the first ever, which I mentioned the mayor's asked me to present to you, the members of the city council, it is a report that respond directly on how we're doing on our strategy plan. And it will be produced on a monthly basis. This is a copy of the month of February, and in this very report we will have John's recommendation of our complaints generated per 100,000 population, we have it listed here in the report, but we also have by precinct and division, the numbers of complaints that are sustained in that division. So it's very clear that our command officers have a responsibility over those sustained complaints, what are they doing about that on an individual basis with police accountability over the command responsibility. So we are going to log and have already begun the process of logging these complaints per 100,000, and we are logging also the cases open longer than one year at the close of the quarter. So it will be very clear where we need to enhance our acceleration as -- the term John has used. Next, the report talks about closing the credibility gap. I do acknowledge there's a credibility gap. I acknowledge that because when I hear the community in the variety of

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places I go referring to the complaint system, and I talk about what the complaint system is inside the organization, there is a disconnect. And so in order to close this disconnect, or as the Campbell report says, the credibility gap, I think it's important we provide routine statistics to the outcome of IAD investigations. I've had discussions with the union already, and there are sensitivities about this, but I believe if we can produce this information, it will begin to close that gap. We need to improve the public's understanding of the investigative process. I am committed to a process of bringing forward in community forums or some method a discussion much what it is that we do and why we do that, and adding too that, for example, our understanding police procedures bureau that - - brochure that came out about six months ago in English and Spanish, a discussion in there about what the police do and what you do when you -- what you should do and what are your rights when you're encountered by the police, but also in this brochure is a discussion of how to file a complaint. Where to do that. The independent police complaint line is listed in here, the internal affairs division, the auditor's office, is all listed in this report. So we want to make sure the community knows and we do want to improve the communication by partnering with the independent police review division. And we've had a good solid communication in the early stages of the development of this new division and this new effort. That communication is very good, but working together with the IPR division and responding to the community as I just did in the last weekend in a discussion about racial profiling, I think we can enhance this by continual communication. The next recommendation had to do with officer resentment toward IAD work. This is a command responsibility of course for us to be able to communicate that it is an essential duty that being placed there, at IAD, puts upon you a responsibility of integrity. Of thorough work, thorough investigation. Report the facts. Ask those questions that need to be asked and produce a report that is valid on its face and valid in its content. And so with that, we are working and intend to continue to work with the police review division to develop a process for handling meritless complaints. For example, they -- the use of the signed complaint form has just begun, where complainants actually put their signature on that. This reducing the concern among some officers that some complaints are spurious and are generated to embarrass or harm or put the officer in harm's way. When someone signs the report they say this actually happened, in my opinion, and so we think that's a good step in that direction. But it's important for us in the command levels to enhance the working environment and the responsibility level of people at IAD. The next recommendation had to do with sharing the information on discipline. Here are strategies -- our strategies include producing statistics on discipline to the public, and internally to our own employees, and to make sure we track the policy changes so that, for example, if a complaint is generated, and it is sustained and we realize perhaps there's a series of these over two or three occasions and we need to adapt some training adaptations or change our policy, we will do that. We can do that. And we have done that in a number of places. John recommends tabulating that, or actually recording that and making sure that people know that it does have a connection to our ability to enhance the organization as a result of what has happened in discipline. The next recommendation has to do with tracking efforts to reduce complaints that are unrelated to officer misbehavior, and here our strategy is to be -- to regularly provide the community with information, again, we talked about communication, and what we do and why we do what we do, and more importantly, how do we do that with the community so that there is a trust level that is built so it's not us and them, but we. As we work together with our community. And this we do in our community meetings, newsletters, on the website that is growing and developing every day, as I recall, as we looked at this to date, the Portland police bureau web site, as we understand it, is the only one that has the entire policy manual on the web. I don't think you can get the organizational policy statement in any other police website nationwide. I may be -- this may have happened in the last several weeks, but it didn't happen recently. It wasn't there when we checked recently. Other public involvement, the variety



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of advisories and involvement with the news media, whatever it is that we can do, we need to provide the community with this information about police procedures. Expediting the process, that is a tall order. And -- but a worthy order, and we intend to do that. The way we intend to do that is improve the efficiencies in the review process after the investigation. You saw there in the difference between those bar charts of the investigation completed and then the post investigation work that is that gap that we want to close so that after the investigation is finished, the review process is lower. To do that, then, we have to have a better policy for tracking and handling the service complaints, a method of actually seeing as every complaint comes by where that has been, how long it has taken, and to produce for us then a ten-day completion goal. This is for cases I should say that are service complaints. These aren't the iad complaint, but those that have to do with service that are branched out and is purely a service complaint. For example, the officers took too long to get there, there's a problem with the organizational structure, something like that, a service complaint. So recommendation h, improve the community's understanding of investigation outcomes. And here again, it's a matter of reporting clearly the iad statistics, but to break down the categories that we have had that are rather confusing into four, where we have had a number now, we're moving to have simply four categories and to merge the rest so is that with our own people and with the community there's a clear understanding of the categories that are there in closing out a complaint. We can close out a complaint by having it sustained. It is a complaint that is -- has been investigated and it's cleared that what is alleged actually happened. Secondly we have a complaint with insufficient evidence. There is one where it's just inadequate to conclude in one direction or another actually what happened. So that's insufficient. The third has to do with a mediation. We have taken this to other forms of debriefings and things, and put about three other categories into this one, and then finally, complaints that are clearly by the investigation not valid. We can clearly say what is alleged did not occur. So those are the four categories, and another recommendation was, we use this terminology that better communicates what the bureau does with complaints, and I agree. The suspension without pay should be used instead of "days off." if there's any confusion in the language, the vernacular of internal affairs investigations, we need to clear it up so the language is clear. Most importantly to the public tracking investigation time, this is sort of time and motion approach to looking at the complaint and seeing who is involved and how long does it take, and in order to do that, it takes an extraordinary amount of effort, but if there's a system installed that we can avail ourselves of, or the technology, then we can do this. In fact, and reflected specifically in the number of work hours that were taken on a type of complaint and give us a feel for the number of people who we have, the number of people that we could have, and then if we had additional people, which was the original question anyway, if we had additional people, what would that do to expediting our complaints. We have found so far that adding these five sergeants, which effectively doubled the size of iad, we have made headway. Not as much as I would have hoped, but we have made good headway as the campbell report reports. So we have a few other items, the data collection needs suggestion, and here we believe the proposed software that we're talking about in data collection can be added there. It can be very clearly tabulated with a technological program that will show it, where we are, software can be used for both -- in interfacing with the ipr and also iad. That's quite possible. Satisfaction surveys that are recommended in the campbell report we believe are very good. One of the complaint and officer satisfaction surveys i've seen, they are too long and lend themselves to a person considering it's too much work so they don't fill it out. We believe the complaint there that is -- rather the satisfaction survey in the campbell report is a good one, it's succinct and it invites a user friendly approach to actually filling out the survey and giving us their opinion both on the officer's side and will the complainant's side. So we believe it's a good one. We intend to keep the iad staffing as it is. Those sergeants, they could be used in the field, but I want them in iad. And they're doing a good job there, and they're helping us to reduce any

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backlog and to move forward on these goals that I have mentioned. The database software needs to be purchased, it's not a huge item, but it's there, and we will do that as we unravel our material and services budget, we believe we can do this in the coming budget. So that's our response, and summary, I do thank you for your time this morning. Thank you for listening to us, and i'm very pleased and give the opportunity to say thank you to campbell delong associates for doing a very fine job, in my opinion.

**Katz:** Questions?

**Saltzman:** One of the issues I think we all recognize, and was acknowledged initially was the perception by officers that assignment to iad is a dead end, or purgatory, whatever you call it. What have you done to overcome that?

**Kroeker:** As we recruited the people who added the team -- it became very clear to them that they are coming in at a very important time. So individual contacts with the new selectees stress this. Secondly, as we added a lieutenant in the review process, this lieutenant then produced in the tenant -- he is here today -- he produced an oversight over this team that is quite personal. So they built a team spirit with this team. The review in that process, the accommodation for good investigation is building this team spirit and moral, if you will, in iad, that may have been at an all right level, but is now I believe in a very high level, thanks to the management that is there. And with the pronouncements I make, whatever they're worth, I continue to say that iad is a very, very important function, we must respect the integrity of these investigations, and report the truth to our superiors and then we have this obligation to have this integrity of the community, and in doing that as we move along, and then the people who are there promote and they go -- we build this idea that it's not a purgatory, it is a promotional location for a good place to work, respected by your superiors and a good chance to get a promote out of there.

**Saltzman:** Very much is now in the career path advancement --

**Kroeker:** It is.

**Saltzman:** It's not considered a dead end or whatever?

**Kroeker:** Exactly.

**Hales:** I have a couple questions. This is great work, chief and john, and I think it's been very professionally and very thoroughly done, but i'm concerned that we're doing this very detailed assessment about the organization and efficiency and effectiveness of what is essentially a judicial process, no surprise that a police bureau would be oriented towards that, that's the natural realm, about whether the officer is has conducted him or herself well or poorly. That's great, and we need to have that. And you just touched on it very briefly, chief, but that's the one thing I want to focus on, is the question of mediation. Have we decided id -- I think we have -- that we want more of it? And -- in other words, if you take the analogy back to the judicial system, if our goal is to reduce crime, then -- in the community, maybe our goal is to reduce complaints or reduce the use of this judicial system, where an officer's guilt or innocence if you will is carefully calibrate and assessed and tested, I think we want more mediation. From the cases i've seen in front of us, certainly my instinct that a lot of these cases are better served by mediation, than even the best possible judicial system of determining officer conduct. And we're not talking very much about that. If we want more mediation, which I think we do, how do we get more of it, how do we encourage cases to go into that realm, how do we build understanding at that level rather than by having this system that people think is more credible? So I -- to sum up, i'm frustrated not by the quality of the work that you've done, but by the fact that we're not talking very much with the -- about the mediation option, and am I correct in at least that a back of the envelope policy statement here that I think the city council and you and the others involved in this system want to use mediation more, and formal process less.

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**Kroeker:** Yes. And I agree with you, that mediation can and should be used more. The Campbell report reflects upon it. I think we're at a good time to explore our ability to do that with the advent of the independent police review division, and our working through the maiden voyage of our initial investigations, coming through this new process. I believe in the mediation process, and hold it to be very, very effective on some cases. We have to decide which cases are those that should and should not go to mediation, make it very clear, because, for example, excessive force complaint is not one that goes to mediation. Something where there's a misunderstanding where maybe there's not a clear sustained complaint but there's a clear disconnect between a community member and a police officer, that can go to mediation, the two of them sit down with a mediator and get that job done. It's played itself out in budgeting for the mediators, that's the problem. And that is going to have to be resolved too, because there's time involved in the person who would be this third party. Some believe, and it's been recommended in the blue ribbon panel, for example, that the mediator could be a police sergeant. I think if the police sergeant sits there, he or she could probably do a very fine job, but I think it might be a better step if you have a completely independent person who's not part of the police organization, let's say, to do that process, and bring the two together and talk about this disconnect and have the -- basically certain closure on this event that happened to make sure there's understanding. So I do support it, and we do want to talk about it more and with the independent police review division I think we can work together to develop a widened base of mediation events.

**Hales:** And then Gary, again, you and your staff may want to talk about this, we probably ought to have a performance measure or benchmark that says, we have this much use of mediation now, we think the potential is 10% of the cases now, it should be 50, we should have that goal and be checking to see how we get towards it. I'm pulling those numbers out of the air. We ought to try to determine that or at least take our best guess at it and try to work towards that goal for a while and see what happens.

**Katz:** I'm going to ask in a minute after we finish the questions, Richard to come up, because I was privy to a new system that IPR created to in fact do some of that interesting but difficult and delicate work. He might want to share that information. Further questions? I've got a few. John N. Your work that wasn't part of your assignment, but I was curious, or chief, you may have a gut feeling on this because I've got one, I don't know, want to check in with you, that the IAD complaints increase with the age of the bureau. In other words, the younger the officers, the higher number of complaints. The older the officers, the less complaints. Is that an accurate statement?

**Kroeker:** I can give you -- I can't tell you that we have looked at that. Did you look at that in your analysis?

**Campbell:** I certainly had multiple people at the bureau comment that that's generally the trend.

**Katz:** We haven't actually looked at that.

**Campbell:** We haven't looked at it. I will say with the consulting I do with many agencies, it is considered a sort of assumption that when you bring in young officers, you're going to have a spike, if you're suddenly bringing in a number of younger officers you're going to have a spike in complaints. They talk about the maturing process of the officers and some of that. It certainly goes to training issues and hiring issues. But I certainly heard the expectation that with -- as officers get older they have fewer complaints, and that is to say I shouldn't say older, I should say more experienced. So we certainly heard that comment, and did we look at the numbers directly, no. But it --

**Kroeker:** There are national studies on that.

**Katz:** I would imagine there would be. If true, and we may want to take a look at this, if true, then the training issue is really very, very critical, whether it's in Monmouth or our own program. The other one is information on discipline. I know we can't because of our contracts identify -- and

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personnel rules -- identify an individual with discipline, but you can aggregate that information, and I didn't hear that.

**Kroeker:** Yes, that is exactly right. And that's the discussion we've been having so that we can present some idea, some snapshot to the public as to what is happening with these complaints. Right now there's a big question, and some believe that this egregious misconduct and the officers don't get anything. They will say this anecdotally. I think it's important for us to in aggregate form, that doesn't get very specific and for reasons that have to do with labor and contract and the like, tell the public what are the outcomes on these cases, and produce some statistical summaries of what is happening with these.

**Katz:** Did you want to say anything on that? I would also -- you would agree, absolutely. I would also add that we ought to include the numbers on terminations, because the public doesn't think that we terminate any officers, but we also then need to include the numbers on the rehires, so we get a very accurate picture of the fact we may be terminating officers who have done some -- who have very serious complaints against them, but we are forced through arbitration to hire them back. And that is something that the public is totally unaware of. Okay. The other one, let me just say, and this is a recommendation that I don't see anybody here from the police union, but I would suspect that if officers appear in front of ipr, that the response to the complaints by the citizens group would be very different. And my recommendation would be to as many officers that are interested, that that would be a recommendation that I would make. So saw it happen firsthand and I thought it worked very well.

**Kroeker:** I have heard that also, and richard rosenthal and I had a discussion about how the outcome is shifting as a result, and the perception among police officers of the validity of the system. That gap that exists between their understanding and what reality is, that is enhanced by the officer coming and being there and seeing the system at work.

**Katz:** I would agree. Let me call richard. Gary, did you want to come up as well? Then we'll open it up for public testimony. John, good work, and chief good work on responses.

Gary Blackmer, City Auditor: Gary blackmer, Portland city auditor. I wanted to do a quick comment which is that back when we worked on developing this, the cold for the ipr, I said that the improvement in the bureau and the change in the police bureau came not just from this organization that we called ipr, but it required some work on the part of the community, the council, and especially the police management and all the police officers in the bureau, and all the other staff there. And I think what you see today is a real remarkable effort to look at what they have been doing and look for ways internally that they can improve, and we've had I think a really remarkable communications process and working relationship with them that's -- that they've been open to our involvement and the management of these complaints, and some of the things that they talk about, the data system. We actually have that operating in our office right now, and what we're looking at is for them to get the licenses so we would actually share that database, and be able to communicate in other ways besides carrying paper between the buildings, but it's a way for us to gather that data in a timely way and be on top of things, and that's only one way, the more technical way of communication. The measures that they have here that -- you know, I can't say enough great things about john campbell. He pulled together a lot of meaningful gauges for what's important for us to monitor for quality investigations, and we've taken that survey that he's put in the back and we're actually sending that out to the complainants, and we're getting the results back. So we're using a lot of the information and the ideas that john campbell made available to us in order to evaluate what we're doing. So I think it's really a great thing that the bureau's doing. That was just a broad introduction to richard here.

**Richard Rosenthal, Director, Independent Police Review Division:** Thank you. I'll just add rest two major concerns. Richard rosenthal, director of the independent police review division. The

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first concern mentioned by commissioner Hales, as of mid-january we hired a community outreach coordinator. Todd had two -- his first two highest priorities, to get the complaint forms out to the community, and to get them on the web, et cetera. He's basically been able to accomplish that so far. And make contact with members of the various community groups. The second thing was the creation of the mediation program. That is now his top priority. We've got a working draft of a request for services proposal, and our -- we've \$10,000 budgeted for the mediation program for the next year. We're going to hire professional mediators. Our plan is to use sergeants to do the service complaints, and to potentially expand the use of service complaints, but to have professional mediators conducting the work of the bureau, and we're hoping to have at least perhaps 50 mediations during the first year and see how they work. We're doing a lot of outreach to find out what happened with past mediation programs, what are the good things, the bad, a lot of the problems that we've determined with officers is that they felt that they were screamed at for two hours and it was the fault of the mediators. The real issue is getting that core cadre of mediators that can do the job and do it well. We've got the budget for it, and i'm hoping to come before you in a couple months and say, it's going and it's working. The second thing is with respect to officers, officers participating in the hearings --

**Katz:** Tell them what you're doing now.

**Rosenthal:** What i've done is first the ppa has -- is now representing officers in front of the hearings. They're showing a great deal of respect to the committee by participating, and it's having an effect on the citizens getting a fair objective picture of the incident and the complaints. The second thing is i've attended so far 26 roll calls. I was actually at east until 11:30 last night. The idea being i'm talking to the officers, giving them an idea what the process is, giving them a chance to see my face, tell me my issues and concerns. But the main thing is, i'm on a two-year project to get officers to participate in the process themselves. So far we've had only one officer who's actually come up and testified in front of the committee voluntarily. They were extremely impressed with her. She was very honest and forthright, and it was a very good hearing as a result. And i'm telling officers in the vast majority of cases I believe it will be to their benefit to show respect for the committee and participate in the process. And so far among the bureau, i've been getting excellent responses. Officers are hesitant, it's a new process, and change comes slowly but surely. But so far the respect that the bureau command staff and the members of the bureau are showing towards this process has been extremely gratifying for me.

**Katz:** Thank you. Questions? All right. Thank you. Let's open it up to testimony now. Come up. There are three chairs.

**Dan Handelman, Portland Copwatch:** Good morning. I'm dan handle man with Portland cop watch. I have a large number of concerns about the report. Not the least of which is that it was initiated during the process of the mayor's work group, it was completed after the ipr was adopted, so it sort of came at a strange time. We could have really used some of this information at the time we were trying to decide what the new system should look like. It also appears they didn't interview Dr. Hess, who was the head of piiac. They didn't interview any complainants or members of piiac. It seems to assume that the number of complaints to iad represents the total number of possible legitimate complaints in the city, but that ignores the fact a lot of people won't come forward and file a complaint, because they're intimidated or because they don't feel the process would be fair to them. And I think that's an important aspect that we've seen seeing for years, why we think that police should not be doing the investigations themselves. I also think it's very improper, especially with all the discussion of semantics for the chief -- for the report and the chief to be discussing declined and exonerated case and unfounded cases as not valid. That doesn't -- just because that's the finding that was made by the bureau doesn't mean that those complaints aren't valid. And moreover, if there is a number of complaints about the same kind of police procedure

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over and over again, like tight handcuffs, just because the police had a reason they do it doesn't mean they shouldn't consider changing their policies and their procedures so that those complaints go down. Instead of going to the community and saying, we do this because, this is why we have to do this, they should also consider maybe handcuffs shouldn't be put on too tight. That wasn't addressed either by the chief or the report. We are glad you're talking about showing an aggregate number of what kinds of discipline were imposed. We showed this to you during the mayor's work group process, the san jose police review board puts that kind of statistic out. I hope they also show how many cases have mitigated findings where the officers can go in and have their sustained findings changed if they go into the office of the chief and ask for a change. That should be another statistic that's included. It's also very derogatory to refer to professional complainers, chronic and dishonest complainers, talk about people who file complaints as criminals. This is a very biased report and it's just too bad that nobody took the time to talk to citizens during the process of getting this information together. Another thing that's not done is that the number of cases that are still outstanding doesn't take into account that there have been more cases declined than ever before. So at the same time you have more iad sergeants, they're also declining more cases, so that's partly why the backlog is going down. One major thing that was not mentioned is the early warning system, which the chief promised to report on in october and he still hasn't come forward with it. Thank you for your time.

**Katz:** Thank you.

**Veronica Verne, Womens Affordable Housing Forum:** Hi, i'm veronica, i'm with the women's affordable housing forum. Hi, everybody. I'll just stand. I've been wrongfully arrested myself and I know what it's like. I was wrongfully arrested by someone from hawaii, believe it or not, and the guy beat me up and tried to break bones and all that stuff because I was wearing a hawaiian shirt and pink pants. That is not reasonable or probable cause to arrest someone, and charge them with prostitution. What I want was a victim of a drug hit and I had premature -- I had a health problem. This is not flagging down a john or doing this or doing this, or doing this, which is what prostitutes do to attract people. The point is that I regardless of that, I want to go back to another place, and that is this -- it incredibly undermines the police authority in this city when you put wrongful arresters out there. I don't know who does it on weekends or how they get in or how this happens, all I know is on weekends it's a different ball game. What we need to do as a city is beef you the police department. I support it 100%. The real officers are the real officers. I had a close friend who is a former sheriff of san francisco, knew him for ten years, I know from whence I speak, he never put wrongful arresters on the sheriff's department. When you put them on the street it undermines police authority, makes people feel afraid. Though do things other people don't do and one time I saw a blonde lady and a red-headed guy put guns into the boot of a truck, or the trunk of a police car, and outfit a cop on the street in front of a mom and pop grocery store. It gets that ridiculous. This is weekend policing, it doesn't belong. We support community policing, we support our existing chief. By all means. And I think we should throw more federal money there, that's what it's for. To help them out in these crucial times. As regards -- I want to make one point. The older the cap the more loyal he is. Of course that's true. We all know there are some police who take bribes. That's not good. It doesn't happen a lot in our city. However, when it does, that undermines the police department too. We need to shift our weight and support community policing, we need to support the local subprecincts and put a few more out specifically in the northeast at about 11th and siskiyou. There's an event over the weekend there, I was fired on, I just went there with a hamburger for lunch, i'm just a citizen going to the park for lunch, and I see this incredible thing. So that's root point. We need more policing out there. But I support the chief. He's doing a great job in spite of these times.

**Katz:** Jada mae, grab the mike.

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**Jada Mae Langloss:** They're making these mikes shorter all the time. I don't know what the reason is. I'm jada mae, constant candidate for 25 years, and i'm on the ballot as chair woman of Multnomah county commissioners, although i'm still running for governor, and which i've always been for a long time. The reason that i'm here is to tell you that I am a reaction area, i'm guilty of that. Almost ten years ago I had a nephew that was beaten up and left to die at detox. He died in his own blood. He drowned in it. He was beaten up by the Portland cops. Nothing happened. He was buried right away. And so this -- these things happen. It did make me a reactionary. It report the it to city hall about ten years ago. I don't know if anything happened of that. I was planning on running for sheriff again, which i'm qualified to do. I was told I had to be certified by somebody, and I refused to be certified by somebody who's had to go to monmouth because they do the same thing. They teach you that the civilians are the enemies. They teach you how to kill without mercy. This is done at our police academies and at the fort benning georgia and I can prove it, I was there. I was there 40 years ago. I know what they do in georgia. And I also know what they do at monmouth. They do not teach respect for civilians to the officers that they train. I wish that we would have somebody go there and review what goes on at monmouth and fort benning, georgia. I think it's time we changed our schools for the military and for the police. It's not fair to civilians to be recognized as only enemies of the system. I know what i'm talking about. And I hope it stops soon. Let's review what they're teaching at monmouth, and fort benning, georgia, and then become a more humane nation by outlawing these schools that teach you how to kill without mercy.

**Katz:** Thank you. Anybody else want to testify? All right. Roll call. Let me do this. Let me make a motion to accept the report.

**Saltzman:** So moved.

**Hales:** Second.

**Katz:** Roll call.

**Hales:** I think this is a good evident so far. I think -- effort so far. It's real important to keep our eye on the larger goal, which is to try to not just process complaints, and there are always be complaints, no matter how good a job we do, not just process them more efficiently and fairly, those are legitimate goals, but also try to send more of them, as many as we can to a less judicial environment. From my experience seeing these cases here on appeal, i've seen an awful lot of them where either early managerial intervention by the police bureau in the form of somebody calling and talking to a citizen informally, or mediation later on in that dispute could resolve these kinds of cases much more successfully than even the best calibrated hearings and appeals process. So i'm still interested in seeing how much of that we can do. I think we're -- it would be great for Portland to be a national leader in that venture as well as so many others. And so I look forward to seeing future reports that reveal our progress there as well as the success and -- in implementing these measures that are in front of us today. Aye.

**Saltzman:** I think it's a good job of identifying some recommended benchmarks and I appreciate the chief's response, and moving ahead with each one of those recommendations to implementation. I think they will have significant impact, but I guess the proof will be as we monitor your progress on these recommendations over the next year or so. So -- but it looks like it's very responsive to the report and the report is excellent. Aye.

**Sten:** John, I always appreciate your work, and I think this is a good step forward. We still have a ways to go, but two things that were clear to me a couple years ago, we were taking too long to respond to the complaints, and I think the chief's actions along with ipr have helped -- there's obviously progress there. I think we're making progress and I feel good about that. I also have thought the language issues were quite a problem, and that at times all bureaucracies are guilty of this, not just the police, at times some of the letters didn't seem to be in english to me. I'd read them and not know what happened. So I can't imagine everybody did. So I think that's a very important

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step. And then I think the work to try and do a little better intake, and that includes I think the idea of the complainant putting their name on the complaint, and those issues that the police I think have rightfully raised, but trying to do a little better work on the front, and I think could lead to more mediation, and then I think hopefully, and I v. It in the report, that the ultimate goal of this is particularly on the vast amount of complaints that they're not misuse of force, and the very serious complaints that these are becoming ways to learn from the situations and hopefully make it so that we do continue improvement and make it less likely that some of the events happen in the future. That's the ultimate mark, is can we get better interaction with the citizens. There's still a lot of issues, but I think we've made very measurable progress, and I appreciate all of your work, and look forward to working with you on the next steps. Aye.

**Katz:** I too want to thank John and the chief, and let the council know though I've only -- I think it was two weeks ago gone to the first meeting of IPR, I was very impressed with the caliber of the citizens, how serious they have taken their charge, how serious the staffing is, and I think we're going to see some major resulting as well. I just want to identify for all of you that there are a lot of issues that come through e-mail or by phone. I know I can only talk about those that come through my office where we get citizens who have complained about an incident on the street, and they don't want to file an IAD complaint, and we do make contact with the commanders to review that. And so a lot of the complaints that may never get to IAD are handled informally. I can tell you there are many of them during the year that just one office funnels to the commanders in the precincts to please take a look at that, or I take a look at it personally as well as Alyse Marshall, who represents the liaison with the police bureau. I still think that language, the use of language and use of foul language has gotten many officers into trouble, and the chief and I are still having conversations about obscenities and not using that as a method of control as the last resort. But I do think that if we treat people courteously without using foul or bad language, that we would have less issues coming to IPR. I'm a firm believer of that. Aye. [ gavel pounded ] all right. Let's take the next item, 279.

**Item 279.**

**Katz:** Come on up, bureau of planning.

**Bob Clay, Bureau of Planning:** Good morning, Mayor and Commissioners. Bob Clay with the bureau of planning. With me is Jay, also with the bureau of planning. Jay did the hard work over the past several months of drafting -- code language. I appreciate his hard work here. We're very pleased to bring to you this morning and the -- be before you, one piece of a multipart cooperative relationship that's been established between the port and the city. At the direction of city council, the bureau of planning developed these zoning code changes, collaboratively with the office of planning and development review, the bureau of environmental resources, the Columbia Slough Watershed Council, and the port of Portland. The planning commission held two hearings in January and February of this year to refine the proposal based on public testimony, and after all parties testified in support of the final language, the planning commission voted unanimously to forward the attached recommendation titled, natural resource criteria for Portland International Airport to you. The amendments before you that amend the zoning code require the port to evaluate the impact of all development proposed as part of their conditional use application on areas within the city's environmental overlay zones. The amendments also require consideration of potential impacts of development on downstream water bodies in the Columbia Slough. Any significant detrimental impacts that cannot be avoided must be mitigated according to the criteria in these amendments. So the action before you today that was recommended by the planning commission is threefold. One is to adopt this report dated 3-13-2002, amend the Portland zoning code as consistent with this report, and finally, adopt the commentary this in -- in this report as legislative intent and further finding -- findings. My understanding is I believe there's no one here to testify



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today, all the parties testified before the planning commission, and my understanding is again that they felt satisfied with the language that we're going forward with today. You may recall we had a work session with council on international airport issues back in april of 2002, you gave us direction to go forward with these criteria today. We passed with you a resolution in august of 2001 that memorialized city council's intent for a collaborative and continuous planning process with Portland international airport and the port, and we're -- this is one of the steps along the way, and we just recently, the mayor signed with the port an intergovernmental agreement toward cooperate - - to work cooperatively with the port as well.

**Katz:** Did you want to give a quick summary?

**Jay Sugnet, Bureau of Planning:** I can do that. I'm with the bureau of planning. Very quickly, the amendments require the port to evaluate the cumulative impacts of all proposed development as part of their conditional use application. It requires them to identify the significant detrimental impacts. Once they've done that they have to go through either avoid disturbing the environmental overlay zones, mitigate or avoid minimizing or mitigate. Essentially that's it in a nutshell.

**Katz:** Thank you. Anybody want to testify? Roll call.

**Hales:** Aye.

**Saltzman:** I just want to take a minute to cast this in a larger perspective, because while we're adopting a natural resource criteria for conditional use master plan, this is embedded in a much larger accomplishment, and I want to give a little overview as why this is so important. This whole process that we've embarked upon with the port. In january 2000 the port commission approved a master plan which called for construction of a third runway to accommodate then projected increases in cargo and passenger traffic. And this is a big livability, as we know, the airport's in the city and it's a big livability issue, particularly for those people who live in airport neighborhoods, or east of the airport in particular. So it was decided that it was time for the city to really kind of revive its process as approver of a conditional use master plan and to work out a longer term arrangement with the port to address the livability issues and make sure our citizens are fully included in that discussion. As part of this new intergovernmental agreement, which is leading to this approval criteria today, the port is applying for conditional use master plan in april. Hopefully they'll have city land use hearings officer approval shortly thereafter. In this application they'll not seek approval of a new terminal or a third runway. It is not going to be in this conditional use. Again, the port will need to prove to the hearings officer the potential expansion of gate capacity at the present passenger terminal will meet new -- this new natural resource criteria, will also meet adequacy of the airport noise abatement plan and other criteria as well. I think the new natural resource criteria is great. It will have a positive impact on the columbia river and our wellfield east of the airport. Once the master plan is approved, sometime in the next several months, the next and probably most important step is we will begin to negotiated with the port a second intergovernmental agreement which will provide the process for creating a much better process for dealing with these larger issues of the future of our airport, and that is the district plan approach which we've used for cascade station, a number much other approaches. It's a much more thoughtful, longer-term process and very engaging of the public in dealing with these larger issues about third runways and new terminals. So this is great work by planning. I want to give them a lot of credit and I realize the port was not able to be here, but they deserve a lot of credit too for engaging us in a positive manner. This may not have been the case always in the past. They have been very forthright, they even paid for this code work to be done. That's a good gesture and important to us at this time. So I just want to say it's a great example of good work. I want to thank jay of planning, I also want to thank nancy of b.e.s. For her work on this natural resource criteria as well as susan of opdr, steve of pdot, and of course bob clay of planning. So thank you all again.  
Aye.

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**Sten:** Aye.

**Katz:** Mayor votes aye. [ gavel pounded ] item -- let's read item 280 and 281 together.

**Item 280 and 281.**

**Katz:** Commissioner Sten, I'll save my remarks if there's time toward the very end.

**Sten:** Thanks mayor. Just briefly I'll introduce this. This is a revision of a property tax exemption program that we're bringing back in front of the council. In the late '80s the state legislature passed authorization for the city council to abate property taxes for up to ten years on basically abandoned or vacant property that was rehabilitated or had new construction. The idea was we had an amazing problem in northeast and parts of southeast back in the late '80s which was close to two, 3,000 abandoned homes. The idea was these things are off the tax rolls, we've got lots of problems and if people came into the neighborhood and developers or individuals fixed them up, that as an incentive they wouldn't have to pay property taxes on improvements. They'd still pay on the plan or -- land or whatever shape the home was in for ten years. The market has been strong since then. The program was successful, I don't have the numbers, I think we'll have them in the presentation, but lots and lots of homes were rehabilitated, many of them are back on the -- close to being back on the tax rolls if not railroad there since the program just over ten years old. About two years ago mayor Katz and myself decided we better take another look at this, because sometimes you put exemptions in place under one market and another market exists and they may not make sense anymore. So we asked the planning bureau, the bureau of housing and community development and the commission to take a look and say, does this strategy make sense and really what's a boom market? We're probably hearing more conditions from say inner northeast about pricing being out of control than we are about vacant and abandoned property. From just a real estate standpoint there's very little abandoned property left. There is still of course some vacant lots and I think under any circumstances the good and bad news is this program won't have nearly as much activity in the next ten years because there's not as much opportunity to build or rehabilitate. The conclusion I came to was, there's a couple of points we're still talking through, that will probably be debated today at the council, we should continue the program, but we should move it out after distressed area approach from the theory that the real estate really isn't distressed. The neighborhoods are back. If you go to inner northeast to say this is an abandoned neighborhood it's simply not accurate. There's still issues and I still think we do want to target new construction and rehabilitation as best we can, and so the proposal is to change the distressed area program to a home buyer opportunity program, and that won't just be rhetoric. It's to require that the property be owner occupied, which was something that was encouraged but not required under the last proposal, and to require that in order to use this tax exemption that there be an income level on who can qualify. I'm proposing it be set at 100% of the head of household income for a family of four. Essentially people -- half of the city makes less than the median income, half makes more, and the theory being that we're not in a position with really weak tax revenues at this point, we've got budget problems and with the neighborhood that's relatively stabilized, once you get past the median income for a family of four I think it's reasonable to think if you're in a position to buy a home you ought to pay taxes on it and support the schools and parks. We'd still like to have an incentive for people struggling to get into their first-time home and for -- to help stabilize the neighborhoods and also I think getting a good family home ownership base continues to be an important goal. There will be some debate on that and I think there's lots of good arguments on other sides. There's no magic to the number we've picked, but the median income for a family of four is \$57,200. We're saying a smaller family could make up to that amount, so it would be more than the median. In some ways for simplicity, because if you have an income qualification that's different for every side family, it gets harder to market it, but we would give the planning bureau authorization on a case-by-case basis for large families to move that number up. Say you had a family of six or seven, to move that number up to the median

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income for a family of that size which could be as much as 7 or \$8,000 more. That's the proposal at this point. I think the general sense of trying to focus on home buying, owner occupants, trying to narrow the focus of the program makes sense. It's a good enough program that getting ready -- rid of it would be a mistake, but it ought to have an income cap and that's where we are today. I'm going to turn it over to mike.

**Mike Saba, Portland Planning Bureau:** Thank you commissioner. I'm mike with the Portland planning bureau. I'm here to represent the recommendations that commissioner Sten described on the behalf of the housing and community development commission. With me is charley anderson. To provide some of the policy basis for the recommendations we have here today. I have a very brief power point presentation. I'll go through it quickly, recognizing we have a lot of testimony here today.

**Katz:** Let me just read, I just spotted 485.010, the legislative findings that are really critical in -- and support what commissioner Sten just said and how strongly I feel about that, because I was in the legislature when we enacted this. It's to stimulate -- in distressed urban areas in the state, and to improve in those areas the general life quality to promote residential infill development on vacant or underutilized lots, to encourage homeownership, and to reverse the declining property values. Some of these items are no longer a reality, so in that -- were you going to do that?

\*\*\*\*\*: No.

**Katz:** Okay.

**Saba:** Thank you, mayor. First just a little background here in terms of what is property tax exemption, how does it work. The city forgoes a limited amount of property tax revenue in order to provide incentives for a number of policies. To encourage new affordable and middle income housing development, to promote housing supportive of policy goals, whether -- and to preserve existing low-income housing through our nonprofit low-income rental program. These programs include the core area program, the nonprofit low-income rental program, the transit support of new construction program, the rental rehabilitation program that's available citywide, the owner occupied rehabilitation program in distressed areas and the one we're talking about today, the new single family construction in distressed areas. The city used this revenue as an investment. It's a limited property tax exemption and there's always a pay back after a period much time. The impact is that after the -- that the city forgoes approximately \$8.2 million in tax revenue, that's for all taxing jurisdictions. That contribute the to the construction rehabilitation or preservation of over 5,000 housing units during fiscal year 2001. In terms of the relative impact of these programs, the big ticket ones are the new multiple unit construction in the central city in an urban renewal districts and transit oriented districts. \$3 million represents the forgone revenue there. The renter and owner rehabilitation program is a long-standing program. The impact is fairly minimal. The low-income nonprofit rental program again is a substantial program, achieving our affordable housing goals to the tune of \$3 million. And the new single family distressed program falls somewhere in the middle of that in terms of its fiscal impact. I would note the city does receive \$3.3 million of collected tax revenue from these units. That's why we call it limited tax abatement program. There is a need for periodic review. Changing market conditions, new policy initiatives, new public investments like the city streetcar, for example, cause us to ask how do we keep these programs up to date? The means we've done this is through a work group report that actually was commissioned by commissioner Sten and the mayor. It -- pdc as well as the tax assessors office contributed to this work group. We examined several issues and came out with nine recommendations. There are only a couple we're talking about today. The report was published in june 2000, so we've been processing these for quite a while now before they've come to you. And we've solicited a lot of feedback from interested parties, and I think you'll hear about that today. The recommendations that we're just considering today is to generally reassess the purposes of the single family and

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distressed areas program by amending chapter 3.102 to emphasize this role as a low and moderate income home buying program. The original work group recommendations, some of these are different than what's on the table today, was to retain the price gap for eligible houses, that's still on the books and the resolution we're bringing to you carries that out.

**Saltzman:** That's part of state law.

**Saba:** Yes, it is. And we're not changing that. We're not -- to limit the price gap. To limit the program to first i'm home buyers. That was the original recommendation from the work group. That is not part of hcde's recommendation today. To establish an income limit for qualifying household, to require owner occupancy, and rename the distressed areas to home buyer opportunity areas. For your reference, this is a copy of the current distressed areas. This was adopted by the planning commission about a year ago. The magenta and green areas are the current areas, the yellow areas were dropped in this last go-around so that inner southeast Portland neighborhoods were really considered -- the incentive was no longer necessary. There is very limited activity in these areas too, concerns buckman. The recommended income limit is use the median family income for the Portland metro area that's established by hud every year, and would allow upwards adjustments for households much five or more persons. That looks like this. The current median incomes for household of one changes from 40,050. We're proposing that it go up like that and that households of four or fewer qualify under this income limit.

**Katz:** What did you just show us? You just showed us -- go back one slide, what is it is current today?

**Saba:** Yes.

**Sten:** The median incomes. There's no --

**Saltzman:** These are 100%.

**Sten:** There's no income cap.

**Katz:** And then what was the next slide that you showed?

**Saba:** We would apply these household income limits.

**Katz:** Okay.

**Saba:** I stress first time home buyer is not part of the recommendation we're bringing to you, but owner occupancy is. This would be for subsequent buyers of the existing tax abated houses.

**Katz:** Let me interrupt. What's the percentage breakout between those that are currently owner occupied and --

**Saba:** We have two sources of information. We did a survey in 1998 showing that about 88% of the current houses at that time were owner occupied. The realtors association did a more current and thorough study showing about 85% of the current active accounts were owner occupied.

**Katz:** Okay.

**Saba:** These recommendations are not too end -- to end this program. We're not taking away any houses from people who have bought them under this program. The program has achieved its purpose as a purely production 77. There are currently 1800 units approved for this program, there are currently about 1500 active accounts. We're approving about 200 or over 200 a year at this stage. Changing neighborhood conditions, suggest a new program emphasis. And a prudent use of tax revenue calls for a more targeted approach. Again, in terms of process, we've had two public hearings before hcde and one prior to that before the planning commission. We've had a briefing before pdc and their staff will be here to testify that they support that. We've had meetings with staff and those who have testified. There are some concessions we've granted not only in dropping the first-time home buyer requirement in the face of testimony, i've also met with people who would be testifying today in terms of putting the effective date of these changes should you adopt them to the end of this calendar year, because the program sunsets at the legislature next year. We will be there urging them to continue the program and we hope we have allies today to do that, but in the

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case we don't succeed, the program will go away and we figure it's silly to change the rules locally if the program does go away for -- in a few months. And also, there's full grandfather rights. If anybody applies under the current regulation, that ten-year period is subject to the current rules, not the old rules. I would leave it up to us for testimony, and if you have any questions i'd be happy to address them.

**Katz:** Thank you.

**Charlie Anderson, Bureau Housing and Community Development:** Two years ago when we started this initiative, we were working to catch up with market friends of the last five years. I would generally characterize that by an overheated home buyer market. There's lots of infill development that had gone on, and pretty dramatic changes in demographics in the neighborhoods. At bhcd we began an effort to recall arbitrate our programs, focusing more on helping people stay in their homes and in their neighborhoods. If they so desired. In broad terms, we began to work toward neighborhood stabilization versus neighborhood revitalization. Related to that we changed the way we deliver our home buyer program subsidy from subsidizing development of new infill home units to providing financial assistance to new home buyers. The shift is from providing front end subsidy to a project that is typically meant to spur development, to back end subsidy that is meant to support the end users. An example of this is today instead of running an rfp through the Portland development commission for the development of new home buyer units, we provide capital to a loan fund managed by the Portland housing center that is then matched with other federal dollars and other private sector dollars all in the name of leveraging additional resources again for the end user, the home buyer, allowing them to go out into the market now and actually compete for whatever house, whether it's new construction or if it's already on the ground, we want to provide them the maximum flexibility. All of this context is to say that in recall arbitrating the tax abatement program as the proposal is in front of you, it aligns how we're using our subsidy, our home buyer subsidy with how this program is proposed. So we're trying to line up our home buyer programs across the board.

**Katz:** Questions?

**Saltzman:** I have some questions. I guess one of the goals also I think we have is to encourage family housing in the city of Portland. And we're basing a lot of this on the family size of four, but think we know we also have an enlarged population this have families much larger than four, particularly in the latino community. So how with de -- i'm concerned about how this addresses that need for family housing in two respects. One is the price cap on the home itself, the 160,000. I understand we can go up to 186,000 if we so chose.

**Saba:** We could do 120% of the median sales price of houses sold in Multnomah county the previous year. That comes to about 186,000.

**Saltzman:** That's one question. The if we want to encourage more than maybe a two or three-bedroom house, maybe we ought to raise that income limit to the 186. And then the other issues that i'm going to raise are some of the same issues the realtors raised. I'm also interested in looking at 120% of median family income if we go with the income limits. Even look at 120%, the difference between 57,000, which is for 100% and 68,000, which is 120%, people are not that wealthy at 68,000 if they're buying a two or three-bedroom house. So I think we ought to consider that, if we go with the income limit. I do have questions about the trade-off between owner occupancy and the income limit. Those are issues I want to hear more about.

**Saba:** I think some of the testimony from pdc will show you the price ranges of the houses actually built under that, to give you some idea of how difficult or not it is to fall within the current price range in terms of bidding a three-bedroom house, for example. So that information may help in terms of your decision.

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**Saltzman:** Overall would you agree if we did raise the income limit to 186, it might be more encouraging a larger stock -- a larger housing for families?

**Saba:** I don't know. I'm not sure that that would follow through. The issue I think is ultimately what market you want to target the program to in the incentive to. The current -- you have that latitude, so it's not -- I can't give you a quick answer.

**Saltzman:** Okay. We have heard of a chronic need for more family -- large family housing. You can agree with that.

**Katz:** The issue is whether you would get additional bedrooms with a higher cap.

**Saltzman:** I guess to the extent the construction is more costly, I would think you would.

**Hales:** Maybe i'm missing something between the hcdc's recommendation and what you've recommended, but on your first point, I think what the hcdc recommended, i'm not sure if it's in the amendments, that we take the income cap much -- for a family of four and adjust it upwards for larger families. We're not pegging it at the --

**Saltzman:** They're using the 100% and i'm suggesting we look at the 120% call up. Even those incomes at 120% are not to me large incomes. If you went to the largest -- if you had a family of eight, 120% of mfi is 90,000. That's not a lot of money for a family of eight.

**Hales:** But they have at least addressed part of the problem with the upward adjustment. That's still there.

\*\*\*\*\*: That's right.

**Hales:** I take your point about the higher percentage of mfi, but they have adjusted it for household size already.

**Saltzman:** That's for the income to qualify to buy. Not for the value of a sales price.

**Hales:** I understand that. Bigger houses cost more. I understand that.

**Katz:** Okay. Is anybody here from pdc? Or -- why don't we come up and address -- anybody here from the hcd commission? Why don't you come up. Pull up another chair. Anybody else from any of the bureaus or commissions? Who wants to start? Now, there will probably be questions. When you respond to questions as well as when you start your testimony, identify yourself for the record just so we have a record of who said what to whom and why.

**Leah Halstead, Portland Development Commission:** My name is leah, i'm with the housing department of Portland development commission. With me is sarah stevens who actually administers the program in house. Given some of the testimony that trel and mike have already given, the changing market, pdc fully supports linking up policy objectives with this program. We think it's important to look at who we're serving and ensuring that the tax revenue is meeting some of our policy objectives. In october 2000 the report was presented, and that was also with initial first-time home buyer recommendation as well. The commission did support the changes as they were presented. I have passed out just a summary of some of the activity over the last two years in the program looking at in the last year, the approvals for the tax abatement have increased. You're looking at a full year of 2003-2001. We're seeing an increase in the activity for the program. The average sales amount is well below the cap of 159. We're looking -- but it has increased over the last year. The lowest sales amount, 90,000, and 100,000, so probably not -- we're not seeing a whole lot at that income range or the price range, we are seeing most of the sales at some of the higher limits in allowed under this program. As an implementer we think some of the changes that have happened that are being proposed in the program respect going to have a large impact on our ability to implement the program. We have been coordinating with Multnomah county. The county will let us know when a house under this program is sold, so what that means for our staff is we'll need someone to go to the home buyer and certain identify they fall within the income qualifications of this program, and as was mentioned, there can be some adjustments of larger household sizes. We think this isn't going to be a problem looking at about ten homes per month

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sold, so we should be able to absorb that in-house. Looking at then the own are occupancy requirement, we'll assess looking at tax records to assess whether the home is owner occupied and checking with the home buyer homeowner to ensure it is still an owner occupied unit. The applications we've received already to date will not be affected by these changes, so they will be grandfathered under the existing program. This is the first year that we've seen tax abatement homes expiring, and so what we have done is sent out letters to the homeowners letting them know their tax abatement is expiring, to give us a call if they have any questions about that, we send out a follow-up letter as well. In both instances we haven't received any calls from the homeowners and my understanding is the county hasn't either. Essentially the commission is in support of the changes that are proposed.

**Katz:** Thank you. Go ahead.

**Sarah Stevens, Portland Development Commission:** I'm sarah stevens with the Portland development commission. I'm actually just here to answer any questions.

**Roserria Roberts, Chair, Home Ownership Advisory Committee:** My name is rosaria roberts, I chair the homeownership advisory committee. Which is now a subcommittee under the housing and community development commission. As you've heard, historic data of this amendment, the process that brought the homeownership advisory committee to this point was discussion directed towards two of our committee charges. That being identify and assess what existing programs are available to low to moderate income households. Define how the city can most effectively and efficiently use its limited dollars to increase the percentage of historically underserved minority and single heads of household who would otherwise not qualify for a paper loans. The original intent of the tax abatement was a benefit as a housing revitalization tool to rehab or to construct over 2900 vacant or abandoned properties and lots. Since '92, housing and house prices in one distressed areas have attracted the attention with household was greater buying power, higher income and increased access to financial products and institutions. In fact, due to the escalating home values, some residents have been forced out of the neighborhoods where they once lived and raised families and are now forced to move to other parts of the city where rents and home prices are more affordable. The homeownership advisory committee is recommending the tax abatement incentive program be used as a home buyer assistance neighborhood stabilization tool, given the current state of the economy as well as the financial incentive tool for low toe moderate income households. Use the abatement as a tool to assist low to moderate home buyers, giving to homes will give additional financial options to historically underserved gee graphic areas, minorities and single heads of households. The homeownership advisory committee recommends the tax abatement set income limits to assist households earning up to 100% of the area median income. We want to encourage residents to buy in the tax abated areas through education and affordable loan products that purchasing a home is doable. Given an affordable home in the Portland metropolitan area and being -- being approximately \$1 pun 57,000, households earning 3500 per month would qualify for a 97% loan to value which would place a family of four or less than 100% of the median income. The household would need good credit history, low to no installment debt with interest rates somewhere between 6.75 and 7.15. What the homeownership committee wants to focus on is the shifting demographic landscape of previously distressed neighborhoods and make available to people who have lived there the opportunity to become homeowners. Many of our neighborhoods are now enjoying a resurgence of markets, diversity homeownership and increased migration of people across the united states as well as people of russian, latino, asian, and african descent. Although the proposed changes to the tax abatement is of benefit only to homeowners purchasing new construction. The reduction in property taxes will allow many of the households to comfortably adjust to the additional responsibilities that go hand in hand with homeownership. We commend the mayor and our city commissioners for their support of neighborhood stabilization,

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high livability standards and sue push product labeled as communicated that is a careful result of planning, community input and public private and nongovernmental collaboration. We thank our elected officials for providing vision, support, and continuity from which to build affordable live I can't believe communities from which historically underserved populations, minorities and single heads of household can begin wealth creation and assuring of wealth. Thank you for your time.

**Bill Van Vliet, Housing and Community Development Association:** My name is bill, i'm one of the cochairs of the housing and community development commission. The homeownership advisory committee brought this to us in october and put a considerable amount of work in at their committee level before they brought their proposal to us. They had several primary -- several different components, and we deliberated on each one. We held a public hearing in conjunction with our deliberations and we had testimony both for and against some of the changes that were before us. And what we concluded is what's in front of you today. The program that this is adjusting has been very successful, and we're pleased with that. But we felt with the current policy and program initiatives focusing on homeownership and neighborhood stabilization, that these adjustment were appropriate, and consistent with our efforts at hcde. One of the items that was brought before us was the first time home ownership requirement. There was consider testimony opposing that inclusion in the proposal, and we agreed with that, that it wasn't a necessary component to achieve the other policy objectives and decided not to recommend that one for the city council. There was considerable concern from the development community about projects they had investments in that were in the pipeline about possibly having financial burden from a change midstream on them, and we urged staff to work with them on the grandfathering and of those projects in the pipeline. So I think that's been addressed too. Hopefully adequately to everybody's comfort. We think one of the efforts in the stabilization antidisplacement has been to focus for us and it helps deal with that. It's consistent with other efforts that hcde is working on. I'll leave my comments on that, but hcde clearly supports this and brings it to you for your consideration.

**Katz:** Questions? All right. Let's open it up --

**Saltzman:** One question. How big a house gets built for 159,000?

**Halstead:** I think it depends on what area of the community you're in. I think we have seen larger homes in north and northeast, but if you're looking closer, in the downtown area, you're not going to see a three-bedroom. But we have had three and four-bedrooms under the tax abatement program.

**Saltzman:** For 159,000? Okay.

**Katz:** Okay. Thank you.

**Moore:** Come up three at a time.

**Katz:** Peg, why don't you start.

**Peg Malloy, Portland Housing Center:** Peg malloy, Portland housing center. I'd like to ask you all to step back a dozen or so years in a time when 500 vacant homes were vacant in king neighborhood alone. When beautiful three-bedroom homes with two bad rooms would not appraise at 80,000, or the attached homes at 49,000. I can recall a driving tour back then with first interstate loan officer who challenged me to spot for sale signs. I couldn't spot any. Because to have one made your house a target for vandalism. It was at that time that we diligently contacted all the active full-time real estate a little in inner north, northeast. There were about six. That's when we used to try to sell the neighborhoods by handing out flyers and maps at our home buying classes. The flyers described the amenities of 11 different neighborhoods, but when barbara sue seal opened an office in lloyd center, in the mid-1990s, we knew part much our job was over. [ laughter ] so as we go forward on this initiative, it appears to me that the momentum has already been made that more and more real estate sales activity will continue, that by this kind of exemption being limited the first time and existing home buyers, that we're not going to go back to the time of no for sale signs and six real estate agents. So I would encourage your support of the tax exemption.



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**Katz:** Thank you.

**Thomas Walsh, 3956 N. Missouri:** Good morning, mayor Katz and commissioners. My name is thomas walsh, and I live at 3956 north missouri. I'd like to testify in favor of the proposed changes to the program. My family's company is built and sold about two dozen houses using the Ita program, and we've got plans for another 25 this year. I'd offer three observations about it. The first is that I think these are very reasonable changes. As far as the income cap goes, at 57,600, my guess is maybe 65% of Portland families fall into that guideline. It's a big market, and at that income it's got good buying power. I think considerably higher than the 160,000 proposed price cap. In terms of the price cap, I guess I would respectfully suggest to be careful about going to 186,000. I think you won't see more bedrooms, I think you'll see fancier kitchens and bigger bathrooms and bigger garages, and hardwood floors. I don't know that you'll get large family housing out of that.

**Saltzman:** Why?

**Walsh:** I think if you look at say the street of dreams, you got 800,000 dollar houses, they're not 12-bedroom houses, they're just fancy houses. They're certainly -- there certainly are large families in Portland that need housing, but as a percentage of the market, I think those are pretty small. We've built three or four four-bedroom houses and I think one has got kids living in them. I went back for warranty work and we've got a weight room in one bedroom, a lie write in another, and an office in a third.

**Saltzman:** Have you built in outer southeast?

**Walsh:** We haven't. I think we will this year. It could be different there, for sure. I guess the other point i'd make is that I think I don't think the proposals will hurt the industry, and you may hear different testimony today, but of 22 houses, we've sold I think two of them might have been impacted by the proposed income caps. What I think happens, I think the largest impact of these maybe that we all have to be more careful about how we plan houses and how we price them. Today we've got a cap in the market, which makes for some goofy market dynamics. We all know what the price of the house is going to be for the most part, so the game is what's the cheapest house we can built and still sell. It takes us away from what we really ought to be focused on, which is what go our buyers need and how do we deliver high-value housing. Last thought i'd offer is that Ita is a great program, and I think you can use it in the future to do a lot of things you'd like, and I think you just use that direction and the industry will follow your lead.

Angel Williamson, Community Alliance of Tenants: My name is angel williamson, with the community alliance of tenants. We're here to give our support to the proposal, hcdc proposal. Specifically regarding the household incomes, we think that through our work in the neighborhoods comprising the inner state urban renewal district we've come to the conclusion if your goal is to stop displacement, you must prioritize directing the existing funds to those most at risk. We found the most at risk are low-income renters and long-time homeowners on fixed incomes. So we feel by applying this maximum household income this money will be more directed to folks who are looking for potential homeownership opportunities who fall in a lower income bracket. This action we feel is consistent with the city policy that prioritizes stabilizing the existing communities. Also, by requiring that the purchaser and subsequent buyers remain an owner occupant, we believe this requirement will discourage speculation and profiteering, which leads to the forced displacement of long-time residents. We would really like to see -- recommend that steps are taken to ensure that this tool does benefit existing residents of the neighborhoods, and we would really like to see specific outreach and education to qualifying neighborhood residents and residency requirements if possible. We know there are challenges, legal challenges around that. But we're going to ask for it anyway. We also want to urge the city to continue to look for other revenue source that's are directly targeted to meet antidisplacement goals, such as the rental stabilization assistance, small

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rental properties, preservation, antidisplacement initiatives. So we -- to close we do urge the city council to pass the recommendations made by hcde, and historically revitalization has not benefited long-time residents in those residents in need and we believe it's the city's responsibility to ensure that this does not happen again. This is a great opportunity. By passing these amends the city would be making a statement to our community that it's committed to its goals of benefiting existing residents and revitalization efforts -- neighborhood that have been impacted by gentrification and forced displacement stemming from revitalization efforts. We feel the time is overdue and we must focus our resources on stabilizing our communities and towards affordable housing opportunities those in need. So we just want to thank you for the opportunity.

**Katz:** Thank you.

**Saltzman:** I have a question. This could be for anybody on the panel, but this gets to the owner occupancy issue. As long as somebody meets the income limits in the neighborhood, and the stress -- distressed neighborhoods or the home opportunity neighborhoods, and they're living in a house that they're threatened perhaps of being priced out of, if they were able to qualify to build a second home in this neighborhood under this program, for family member or for rental, isn't that a form of wealth formation that we ought to encourage? We talk a lot about this being part of formation as the goal, wouldn't that be a desirable formation that they could build a second home, generate income from it, to help them stay in their home, but also increase their wealth?

**Walsh:** I think that would potentially be an effective way to create wealth. My sense is that -- I don't see many newly built homes being rented in the neighborhood. It costs more to build them than it does to buy them. You can buy at 125 or \$130,000, and it's hard to build at that price. So I think people in the neighborhood do own rental houses, but i'm not sure that new construction abatement would help that a lot. Just an impression.

**Malloy:** I think as we go on it's not so much the new building as much as the downsizing that -- having large houses. So the ability to have this be something that you could move from a large five-bedroom -- into a one or two is good in terms of seniors as we go forward. But I think the scenario of building it is unlikely as much as the scenario of just downsizing.

**Saltzman:** Just a follow-up, I wasn't thinking so much of downsizing, but that is another aspect. Suppose they want to make it available to their grown children and their family, and therefore they'd like to build a smaller home under this program. That would seem again a desirable aspect that keeps the family relatively close together, it does provide for preservation of an older home by presumably a more -- a younger family generating more income. Isn't that a desirable goal too?

**Malloy:** I think that's really under the accessory union, which isn't a program I know too much with. That's more of the building the garage into a unit so that you could have --

**Saltzman:** Depends on how close you want -- that could be an effect of this program, too, or a desirable effect.

**Sten:** There's a lot of wonderful things out there, but if you build a house for 1 hundred 50,000 and -- 150,000 and the rent on it just to pay your cost is not going to reach affordability requirements for families that are generally renting. So what we're basically saying is we're going to say the way -- one of the ways you're going to accumulate wealth is by not paying the property taxes that everybody else who owns rental property paying. We do abate property taxes on rentals that are affordable who low-income people, but the debt service on 150,000 isn't going to be affordable. That program is for 60% of median income, so if you have rentals that are affordable, under certain 6s you can avoid the property taxes, but I don't think you would get there. So this would be the only rentals in town really where you got a leg up on the creating wealth thanks to the property taxpayers rather than to your own hard work.

**Katz:** Thank you.

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**Raymond Hites, Lents Neighborhood Association:** Raymond Hites, representing the lents neighborhood association. The lents neighborhood association has voted nearly unanimously I think there might have been some abstentions, there were no no votes, to support the various aspects, the income limit, the owner occupancy, changing the name of the program, and the adjustment to the sale price, and the expansion in the lents neighborhood of the area that's included.

This supports the adopted policy of the lents urban renewal district's housing strategy, because it -- we were trying to promote as much homeownership as possible and keep it affordable. And also given the fact that we would be forgoing some tax increment with this as well, so whether we subsidize it directly through urban renewal efforts or we do it through tax abatement, it's the same money. So we'd like to see the policies be consistent on that. And so this would help make this program more consistent with the adopted strategies that we have for urban renewal. The only thing that comes up in the lents neighborhood association is circumstances, for example, the row house issue. Because row houses have been built under this program. And -- where the row houses were rented out. So there you had the circumstance where you had someone build a row house development and they have the market advantage of not having to pay the tax that everyone else that they're competing against has. So that's the one issue that we had some difficulty in the lents neighborhood with. But we do support all of the changes that are proposed today.

**Katz:** Okay. Let's hear from our realtors.

**Jane Leo, Governmental Affairs Director, Portland Metropolitan Association of Realtors:**

Your aging realtors who now have to put on glasses to read their own testimony. I'm Jane Leo with the Portland metropolitan association of realtors. I am not going to go into details. I know you all have my testimony. We have testified on this multiple times, and been involved in numerous meetings, and conversations. Before we get into points I do want to compliment Mike of your staff, who has been consistently available for discussion and has served as a source of information for us through the some year and a half we've been working on this. The property tax exemption program is a homeownership program that the city does well. And as Mayor you did quote statute, it is accomplishing those goals. We basically have two concerns. One is the creation of artificial barriers to homeownership, and unnecessary barriers, and also the concern that if the requirements become changed such the builders aren't willing to take the financial risk of going into these neighborhoods, the distressed neighborhoods and building product, that we're going to end up with nothing to reach the market we're trying to get to. There will be no product. To the first amendment, we do oppose the limitation of putting a cap on who the qualified buyer is. We do go back to what is found in city code that says that the limited property tax exemption should be used as an 77 to help the 60 carry out its adopted policies. And some of these neighborhoods and personally I have looked at more than 1400 addresses, they are in neighborhoods that you do need to give some one incentive to go into, and if that is the property tax abatement for that limited period of time, we would like it to stay in order to attract people into those neighborhoods. The second point of why we oppose an income cap is that it would not achieve a goal of diversity of incomes in neighborhoods. If that income cap is placed you will not receive diversity of incomes. The third goes to language of the actual amendment where it refers to household income. We would like to see this language changed to be the income of the borrower to truly reflect who is purchasing that property, not on who just happens to be living in that house. I use an example in my testimony of where could you have grandpa moves in. He's receiving a pension, but in today's medical costs everything he has is going out to pay for his medicines. But you would still have to claim his income under the definition of household because it is taxable income. So I would like to see change in that language to truly reflect who is buying the property. We would like to see that it is not limited to first time home buyers as recommended to you by hcdc. Regarding the owner occupancy requirement, we have concerns on this one. The first one being we would ask an

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amendment be added which would enable those who are called to active military duty who are on the property tax abatement that should they rent the home during the term of their active duty, with the intent of coming back to that house, that they're able to do that and that they will not lose their tax abatement. This may be just simply clarification of language.

**Katz:** Before I extend your time, are you representing the realtors or will there be more realtors testifying?

\*\*\*\*\*: I believe there may be one more signed up.

**Katz:** Is that accurate? Because i'm extend -- i'll extended time if that's the case.

**Leo:** Thank you. Quickly, again, going into a concern raised on the owner okay pansy, as i've again going through this for quite some time, i've been hearing stories about there are stories of builders who have gone in, taken the risk, built the house, have in good faith marketed that property. It won't sell, they're into a situation where it's either the bank's going to own it or they have to rent it, and so my question there is, if the house should be put because the market just won't move the house, so the market is put into a rental but subsequently sold, can the tax abatement be brought back to that new owner who is not the builder? Third is a concern the subsequent buyers be at the 100% of median income and that gets down to a concern we did not limit anyone's equity that they're able to accrue that accumulation of wealth. Finally on the fourth amendment, we can name it anything. The homeownership opportunity areas actually was introduced by melvin of re/max equity group, and we support his session and do evening courage you to adopt the name change.

**Katz:** Thank you, jane. Go ahead.

**Kelly Ross, Home Builders Association:** Good morning, mayor, commissioners. I'm here to echo most of the concerns or all of the concerns that jane has raised. But the main reason i'm coming before you is to commend the city on this program. You're the only ones in the state that are doing this program, it's working great, and we want to pat you on the back for it. We would love to partner with you in next year's legislative session to delete that sunset cause, so please call on us for help there. I think the main reason we are expressing some leeriness of changes is because it is working so well. And as with any changes there's unintended consequence and jane has cited examples of some of those. Again, I would echo the concerns jane's raised, the suggestions for changes to the language. I think she brings up the possibility of active military service, but I think it should be broadened to take into other special circumstances that may come about to -- that causes someone to leave their home for an extended period of time, whether it's family illness elsewhere in the country, or whatever. There should be a mechanism for considering those special circumstances and hardships. So with that, I thank you for continuing this program, and you're the only ones in the state doing it, and you're to be commended.

**Hales:** A couple questions. Sort of one I want to focus on. Thanks for that offer. I like your suggestion about special circumstances, military duty being one of them. I agree with you about not limiting the program to first time home buyers, but i'm having trouble with your suggestion that we not have an income cap. And the reason i'm having trouble with it is that this program has to pass muster for both housing policy and tax policy. So the proposal in front of us basically says, i'm buying a house on this block, I make -- if my block happens to perfectly represent the city, half of my neighbors make more than me and half of my neighbors make less than me, right, so now all my -- one half of the neighbors are going to pay -- all my neighbors are going to pay for these services, but why should I not have to pay for police, fire, parks, schools, and libraries, if half my neighbors make less than me? See my point? In other words this, has to pass muster for tax policy as well. These taxes go to police, fire, parks, libraries, they don't just disappear. Everybody pays for those things, everybody gets the benefits much those things, including purchasers under this program. You're saying we shouldn't limit their income accessibility to this program? Help me. Why should than they pay for these things?

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**Leo:** I go back to legislative intent, which is to improve the quality of life in these neighborhoods, to reverse declining property values, which is stated in legislative intent. And I don't see in legislative intent that it says anything about that this is limited, that those improving quality of life or reversing declined property values is limited to a certain income group going into those neighborhoods. My second point is as commissioner Sten pointed out, 100% is not a magic number. So ideal not look at 120% of mfi, which would bring a household up to 66.8? Because at 100% my concern is it's too rigid. If you're one dollar over mfi, you can't buy in the tax abatement - with the tax abatement, yet mfi is having a harder and harder time finding product on the quote unquote open market. Even Portland in february of this year had an average sell price of \$197,000 plus. So mfi is not necessarily finding product in Portland, but the argument continues on, and the cycle is back on itself that you're trying to revitalize these neighborhoods to stabilize them to create homeownership, and that one way -- there has to be some sort of incentive to bring people into those neighborhoods.

**Hales:** I think again, this has -- we're trying to adapt this program to a new reality. You're right, it still needs to be legal, but frankly if declining property values were going to be the measure by whether we kept this program, we should cancel it out because we don't have any neighborhoods left with declining property values. We can't just rely on the statute that was enacted quite a while ago when these neighborhoods were going downhill, as the reason -- the basis for what we do. It has to pass muster for tax policy. I'm just hung up on the question of why should we have half the community -- why should halfway up the income scale exempt somebody from paying for police, fire, parks, schools and libraries? I just can't get there from here. You're going too have to give me another argument.

**Katz:** Okay.

**Saltzman:** I want to follow up on your point about having a second income owner in the household. You're referring to grandpa? Is that what you meant? The borrower has to include all household income regardless of whether it's directly his or her income? Is that your point?

**Leo:** The language of the amendment before you refers to household income cannot exceed mfi. My argument is, i'm very uncomfortable with those two words, basically one word -- household. I would like to see it brought down to the reality of who is actually purchasing that property is whose income we look at.

**Saltzman:** Would that be the name on the title? To deal with that issue? Or the borrower? Or the primary borrower?

**Leo:** The primary borrower or borrowers.

**Saltzman:** If we were to say household income as defined by the income of the primary borrower -

**Sten:** This is not an issue. We interpret all these programs, and it's the borrower. It's whoever the entity borrowing is. We don't check, does your grandpa live with you this. Is a nonissue. I understand the concern, but it's not --

**Hales:** We could administer it the way she suggests without changing --

**Sten:** It's how we do administer it.

**Hales:** That's a good., particularly if we have the owner occupancy restriction, that if you borrow the money you bought the house, you plan to live in it. The fact you have a relative living with you that has income, that's not germane.

**Saltzman:** Does that also apply to cosigners? The primary borrower needs a cosigner, but the -- so the income limit applies to the primary borrower?

**Leo:** I'm not familiar enough with the program to know if the housing authorities in Portland look at cosigners. In the banking community the cosigner is just there to guarantee the loan. They are not the ones who bear the responsibility.

**Saltzman:** Their income doesn't enter the equation.

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**Leo:** No. Only if for some reason the house should go into default.

**Sten:** There's going to be an ability to come up with a dozen different scenarios in the world. We haven't seen the language, but with can write some that says pdc has discretion to issue a hardship if it's military service or somebody is clearly meeting the intent of the program but they have to leave their house for two or three years.

**Katz:** Is that ben over there? Who is it? Ben? If the council wants it, let's adopt that so that we don't have to --

**Sten:** We have to bring this back for a vote. We can write a sentence --

**Katz:** We'll need to adopt it today.

**Saltzman:** I'd like to see something on the household income being limited to the borrower, too. Otherwise we can work on amendments to bring it back at the second reading.

**Sten:** I've asked -- no offense, i've asked you for specifics on this, we had this conversation. My interpretation, and if somebody wants to come up with an amendment to clarify this, that's fine, is that this is unnecessary. The program is the borrower, it's been that way and it's still that way f we don't need to write any language to clarify that.

**Katz:** Okay. All right.

**Saltzman:** I would volunteer to do that on both the military community service issues or hardship waivers and this particular issue too.

**Katz:** He just said it's not necessary.

**Sten:** Make an amendment and we'll see --

**Katz:** Before we make any amendments, let's finish with the public testimony. Is there anybody else that wants to testify?

**Lloyd Pruitt, Oregon Realty Company:** I'm lloyd pruit, Oregon realty company, also vice-president, chairman of the Portland metropolitan association governmental affairs committee. I believe most of the issues I was going to bring up have been met today and I waive my time.

**Katz:** Thank you.

**Sam Chase, Community Development Network:** I'm going to -- same chase -- sam chase with the community development network. I think some of the housing advocates have made some pretty good points too, and i'll keep it short. I wanted for one thank the council for continuing this program. It seems like we're debating how much to expand it. I'm actually pretty happen that you're keeping it in this financial difficult time that we're having. I think that we are seeing a very significant shift in the neighborhoods and that does have to play a role in how we allocate these exemptions. The neighborhoods have certainly gone from the -- distressed neighborhoods to ones where we're looking to stabilize and secure some affordable housing for folks so we don't lose that diversity. So that is a big shift. Without the owner occupied status and the 100% ami, criteria we could be exacerbating the very problem we're seeing with gentrification by encouraging and creating incentives to a market that's already doing very well in these neighborhoods. I would also like to add the community development network members are supportive of the proposal and have been very involved in the process and the hearings. Thank you very much.

**Greg Fox, Happy Homes Properties:** My name is greg fox, i'm a real estate broker. I'm here on behalf of jeff fish, a builder. He's met with several council members here, and he also offers his apologies for not being here. He's out of town right now and asked me to come to present a letter on his behalf, which has been mailed to you. I'd like to include this with the testimony. Not to bore you with details, just a couple of brief excerpts from the letter. As far as the lots themselves, many lots in tax abatement are currently under \$10,000 in assessed value. When they actually go on the tax rolls as abated properties, many have been revalued over \$50,000, so there is some incoming capture on the program. And in reference to the owner occupied requirement much the program -- of the program, less than 15% of the homes on tax abatement are nonowner occupied homes. Many

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have extenuating circumstances, some can be maybe a tax bill is being sent to mom and dad's house because the borrower is doing a lot of traveling back and forth. A lot of the properties are properties that builders have built in blighted neighborhoods and they have not been able to sell, and the builder as part after free market me has ended up taken that property in as part of his inventory. One good example is a property that jeff had purchased on southeast clatsop off 82nd. He looked at the neighborhood, it was extremely blighted, he assumed yes, this is tax abated. He gets in there and no, it's not tax abated. We had an extremely difficult time marketing that property.

Finally we sold it to a hispanic lady. She had limited means to get into a house, she saved \$5,000, she put that deposit indian and -- on a lease option. A year later, only about three months ago, we received a letter from her that she does not want to exercise her option, she doesn't want to raise her family in a neighborhood that's filled with drugs, prostitution, and criminal activity. And that's close to her exact words. So to say that there's not blighted neighborhoods in Portland, we're simply not looking at the facts. Those had the -- are the highlights on the letter. A couple issues I heard on the tax program that i'd like to address myself is I think part of jane's concern on the use of household income is under the state of Oregon single family mortgage purchase program, what used to be known as the loan to lenders program, their definition of household income includes anyone who resides in that house. It's also all inclusive of any cosignors who are on title to the house. It's a very broad term and I think it should be looked at to be defined a little better. As far as --

**Katz:** Your time is up. Why don't you just finish your thought.

**Fox:** Okay. One very important aspect to this is there's a secondary repercussion of the program. Many of the larger homes which I would say over 1500 square foot, are being purchased by secondary home buyers. Yes, they are secondary home buyers, but they have existing housing which is going on the market. Many of those housing units are 100,000 to 110,000 in sales price and those are going to people with modest incomes who can afford that sales price.

**Saltzman:** That was state law you referred to that establishes the household income?

**Fox:** I don't know if it's a state law.

**Saltzman:** What did you refer to.

**Fox:** It's the state administration of the lenders -- the loan to lenders program and how they --

**Saltzman:** How the state has chosen to do with it their particular program they have.

**Fox:** It might be in their code or there is a definition.

**Katz:** All right. Anybody else want to testify? Since I tried to be as fair as possible to every council member, my sense is the commissioner Saltzman would like to bring some amendments. I don't know if you'll have better luck with them next time, but i'm going give you that opportunity and especially since we don't have anything written. That does mean, however, then we'll have to extend this item for two weeks.

**Sten:** I think that's appropriate. I probably should ask for council discussion on the substance of the major amendments so the advocates who feel very strongly on both sides get a sense whether there's a running debate.

**Saltzman:** I think my amendments will be confined to the 120% mfi rather than 100%, spelling out the military active duty or other service exemption, and then the -- making sure we're look only at the income of the borrower, not household total income. So we're not doing it like the state program.

**Sten:** I guess where might position of those would be I think we can prepare and work with commissioner Saltzman. I think the simple way to addressed military issue is to put in a clause that the administrator of the program has the ability to waive the owner occupancy requirement if hardship can be shown and whether or not we want to -- how deep we want to develop hardship we can decide. But I think those will be pretty straightforward. We can prepared some background on how we view the household term. I just am a little nervous to get deeply into redefining terms that

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we use pretty well on all sorts of programs, and we use it in the way that Jane is worried about, so I think we can clarify it. I'm not in support of raising the income limit, so I think two out of three are relatively easy.

**Katz:** Okay.

**Hales:** The first two are administrative questions about how this is administered. I don't care whether we put it in the ordinance or whether it's done by an understanding with the agency. If you want to do it by ordinance that's -- that's fine. The other one is clearly a policy call. I'm not ready to go there.

**Katz:** I'm not ready to go there either. But we will bring them back and we'll allow for testimony on the amendments. I'm going to limit it somewhat so we don't open it, but I think it's a policy discussion that we ought to have. We haven't had one like this for a long time. All right.

**Sten:** Why don't we make sure, we'll write a sentence defining household just to make sure that's clear without -- if we can write a sentence defining what we mean, we don't get into changing all the terms.

**Katz:** Okay. Those two items will be passed on to second. All right. Let's move on. Item 303.

**Item 303.**

**Katz:** Anybody want to testify on that? Roll call.

**Hales:** Aye. **Saltzman:** No. **Sten:** Aye.

**Katz:** Mayor votes aye. [ gavel pounded ] all right. [Item 303 passed to Second Reading.] Item 304.

**Item 304.**

**Katz:** All right. I have heard the words that a liquor license from this council, a liquor license doesn't give you -- it's not a right, it's a privilege, and that driving a car is a privilege, as well, given to us as citizens by the state of Oregon. Having said that, I think it's important today to take a look at what happens during times when we have incidents of drunk driving reckless driving, speed racing driving, and eluding an officer driving. And we have made a decision as a bureau to bring these items to you, and to also let you know that Gresham and Multnomah county have also adopted these items and I now would like to turn this over to the chief for him to make -- what did I do wrong? Wait, that [Item 303] was on the item last week?

**Moore:** They had to bring back a whole new ordinance.

**Katz:** Oh, that's right. We lost it. Correct. It [Item 303] goes to second. I'm sorry. That's right. It had to be rewritten. Okay. So let me turn it over to chief Kroeker.

**Chief Mark Kroeker, Portland Police:** Thank you, mayor. Commissioners, my name is Mark Kroeker, I'm chief of police of Portland. I am here to urge the adoption of the city's ordinance involving towing, impounding vehicles in the provision of that to include driving under the influence of intoxicants, fleeing or attempting to elude a police officer, speed racing and reckless driving. It is no -- there's no question that this problem has developed over the last years and has grown enormously, and that is the problem of traffic management in the city of Portland. We have pedestrian fatalities and traffic collisions involving driving under the influence fatalities, we have more recently a proliferation of speed racing fatalities, and we are looking for every tool that we can have to respond to a problem that is severe that takes more citizens than does murder in our town, and a problem that lends itself to not only legislation, but community policing initiatives and the kinds of things where we, reach out to the community to urge their participation, to pursue rigorous aggressive enforcement, and when necessary, to make alterations in the city's engineering, to ensure a more safe traffic flow and the use of our streets and roadways. Here before you is an ordinance that simply adds more tools to the traffic division and other enforcement officers on this problem of driving under the influence and most importantly, speed racing that has become so difficult recently. I have with me sergeant Kenneth Pacheco and another sergeant, and they're going



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to present for you a review of the ordinance itself, and how it affects us and how we intend to respond to it, as responsibly as we can, but also we will talk about the speed racing elements and sergeant pacheco is prepared to discuss that. I would just like to say in closing as I introduce them to you, mayor, that we intend to do everything in our power to minimize the loss of life on our streets, and to make sure that people drive responsibility and safely. Speed racing is not a sport, and it's not a spectator sport. Speed racing on the streets and without controls and sanction is purely criminal activity. And the people who go there to observe it and act as spectators are themselves engaged in criminal activities. So the word spectator sport is a misnomer because people engaged are not spectators, they're involved in criminal activities, and people engaged in the act are not sportsmen, they're street racing and they're breaking the law. And they're doing it at the expense of the safety on the streets to unwilling unparticipating people who find themselves in harm's way. So we do request your support on this particular measure, and mayor, you and I have had numerous conversations about a variety of ways to respond to this challenge, and I believe this one much those initiatives where we as a 60 can come together with a common objective and making our city a little safer through giving to this police bureau a few more tools that will be deployed responsibly and professionally on our streets.

**Katz:** Do you want to address the slight delay on the observers or spectators?

**Kroeker:** We would urge that the ordinance be passed as it is and then beyond that, we will have a period wherein we'll do substantial training of our own people to make sure that we know how to go about doing what is necessary during that time of about 30 days we will not be enforcing. We'll have the tool there, but we will rather be informing our own people and we'll be engaged in a substantial education program to make sure the people in the community know this is coming, to make sure the parents know when their young people are out with the car, what could happen to their car, what could happen to them, and so it's not just purely changing the ordinance of the city, but it becomes for us an opportunity for education.

**Katz:** Let's talk about it later. Let's talk about it later, because this is an emergency ordinance. It guess into effect right away. And we did talk about maybe delaying that portion of it for exactly the reasons that --

**Kroeker:** That would be fine, as long as we don't delay it --

**Katz:** No, no, we'll -- assuming everybody supports it, we'll pass the ordinance today, but we'll amend it to put a delay on the towing of spectators until you do what you justified you were going to do.

**Kroeker:** That would be fine, because we need that time anyway.

**Katz:** But it would go into effect immediately, that's the reason for the comment. All right. Sergeants?

**Sgt. Kenneth Pacheco, Portland Police Drugs and Vice Division:** I'm with the drugs and vice division. As the chief said, primary goal of the police bureau is to provide the citizens of Portland and anybody who visits our city with a safe road system by reducing accidents in the subsequent injuries and fatalities that result. This is accomplished through the enforcement of traffic laws. What we would like the city council to do is to amend the already existing tow ordinance and add a few -- there's a few changes, and what i'd like to do is go over the changes of the particular ordinance. One of the things we've done is we've elevated our responsibility from reasonable belief to probable cause. In those seven situations we would tow a vehicle we would elevated our own responsibility to prove more than just reasonable belief it's now probable cause. What we want to do is add already you can have your vehicle toed for driving uninsured, driving while suspended or revoked, operating a vehicle without a valid operator's license. We'd like to add driving under the influence of intoxicants, fleeing a police officer, speed racing, reckless driving. There's an additional change as everyone is provided by city code and by state law the ability to have an

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appeal, whether that vehicle is towed or not, whether it was done validly, what we've done is we've eliminated the -- there used to be a grace period that if somebody appealed it, they would not be charged any additional -- any costs. That has been removed from the city code, the proposed city code. And the second and next change was that the person who had their vehicle towed will be responsible for the towing, storage and an administrative fee. The administrative fee was figured based on the cost that it would take the Portland police department to handle the entire impound process. So what we've done is we've basically increased the administrative fee than what was previously listed in anxious, but is closer to our actual costs. We'll never be able to recoup our entire cost, we'll try to recoup the impoundment process cost. Last year in the duui, drivers were involved in 666 accidents in the 60 of Portland. As a result of this, there were 14 fatal accidents and hundreds of citizens were injured. Last year there were 2,197 arrests for driving under the influence. That averages out to six driving under the influence arrests per day. Of these 722 had no vehicle insurance and 650 had no operators license. Hundreds more of these intoxicated drivers escape our detection every day. Every time a drunk driver gets behind the wheel it's potential traffic accident waiting to happen. In the past five years Portland have been 78 fatal accidents that were alcohol related. Over 40% of the fatal accidents in Portland last year involved drivers who were driving under the influence. To backtrack, in 2000 there were 451 traffic accident fatalities. Of these, 188, over 41% were alcohol related. These accidents affect every demographic segment of society, nobody escapes the problems of drunk driving. Huge amounts of money are spent on medical bills, police emergency service, jails, courts, insurance rates, et cetera. I'm also going to address the aspect of driving -- attempting to flee a police officer. The other sergeant will address the speed racing and reckless driving. Drivers who allude the police are an extreme safety risk. They put themselves, police officers, and innocent members of society into danger. Over the past two years we've averaged about 200 a year, attempting to allude arrest. The rate is not going down and we need to basically deter these drivers as much as we possibly can. I'll have rod discuss the speed racing and if anybody has a question about the administrative fees I can answer that later.

**Katz:** Okay. Rod, go ahead.

**Rod Lucich, Sgt. Portland Police Bureau Traffic Division:** Thank you, mayor and councilmen. My name is rod, i'm a sergeant with the Portland police bureau traffic division. As I begin today, i'd like to take a moment and identify some people that are here, a small amount of people that are here. I have mr. Mark ulmer is here today, he's here with a concern for neighborhood livability that he's been part of living this problem concerning street racing for a number of years. Mr. Jack brown is here, and with him is his sister, mrs. Beverly ickes. Her husband donald was killed by a racing incident back on december 14th. A couple other people that were supposed to be here took ill, but these are the ones we have here today. Street racing has been going on for years and it's nothing new to the state of Oregon or the city of Portland. It has grown in population and -- in recent years and has become a serious community livability issue. As well as an urgent safety issue. As a traffic sergeant i've been addressing citizen come appellants regarding street racing activities for approximately two years. I've listened repeatedly to complaints from frustrated citizen, some of whom are here today, concerned about the dangers of the activities on the streets, some have been at their wits' end as they've repeatedly been kept from sleep by the noise associated with street racing. Though i've given attention to this area, organized special details to try to reduce the impact on the community, most of the efforts have had very little effect on the problem. We have simply lacked the tools to deal effectively with the problem. Over the past year, there have been several crashes involving racing. Though many were spectacular and violent crashes, most did not end in fatalities. However, it was only a matter of time. How much of a problem is it? There have been six fatalities in the Portland area directly related to speed racing in 2001. Five since december 14th. One would be too many. We need an effective tool to hold people account I

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can't believe for dangerous and reckless behavior that threatens our citizen and can devastate their lives. Who participates in speed racing? What group of people participate? It's males and females of all ages and varied ethnicities. On January 3rd -- I'm going to give you a couple examples -- January 3rd, 2001, a white male in his 50s was killed while racing a white male in his 20s. A semi truck pulled out in front of them and the driver was not able to stop in time. His car went underneath the trailer and he was killed. On August 11th, 2001, a male Hispanic driver was racing a female white driver and her -- along with her passenger, at nearly 100 miles an hour in a 40 mile-an-hour posted area. They came upon a motorcyclist from behind and there wasn't room to pass or slow down. They both lost control of their vehicles and both cars flew through the air, his car struck another car head on and sheared off a fire hydrant. Hers struck a bridge abutment in mid-air, rolled onto its side and caught fire. Remarkably, no one died. There are others, but these two simply illustrate that it's not a type of people that we're concerned about here. It's a type of behavior, dangerous behavior. Another question might be if a safe place to race were made available, would that take speed racing off the street. It's been said in the past by some involved in speed racing that the only reason they race on the streets is simply because they don't have a safe place to race elsewhere. While that might be true for some, it is not for others. If the consequences are not severe enough for the racing on the streets, then street racing will go on. It's also been said that those involved in street racing use caution and are very careful when they do it. Is this true? The answer to both of these questions can best be illustrated through the following examples. And I want to take you back to a night this past summer. On September 14th, 2001, I might add these are my personal observations. On September 14th, 2001, the city of Portland opened up the Portland international raceway to the street racing community to get them off the street and into a safe environment. It was a Friday night, and racing began early in the evening and ran until about 1:00 a.m. It was a good turnout, with an estimated of between 200 and 300 cars in attendance. Some racing and some watching. At about 11:30 p.m. cars began migrating from Portland international raceway, p.i.r., to the Portland meadows parking lot, the horse racetrack parking lot. There were about 50 cars initially, some engaged in burn-outs or spinning their tires on the asphalt in a display of horsepower. This is like a tailgate party type of thing, gathering around. Over the next couple hours, while the organized racing was still going on at p.i.r., large groups of cars left the Portland meadows lot and went to three different locations and conducted races. Two cars would pull into the street facing the same direction and get ready to race, using both lanes of travel. Spectator cars would then line the race -- roadway on both sides of where the race was going to occur, and they'd turn their headlights off. A spectator would get out stand between and in front of the two racing cars and act as a starter. Can you imagine what would happen if a car had a blow-out or lost control of the vehicle for some reason with the street lined with spectators, out of their cars? Two races took place at the first location. Four races took place at the second location. And two races took place at the third location. The first race was on northeast 33rd near Marine Drive. This is one of the areas where I had received numerous complaints of noise and vandalism caused by street racing in the area. The second location they went to was in a nearby industrial area. While the first two cars pulled side by side to race, an 18-wheeler semi truck came out of a business and the racers held their position in the street, causing the semi to go around them, three races later another semi pulling triple trailers was made to go around the racers that were lined up and ready to go. Racers made no attempt to accommodate the trucks, just -- and then just as the race began, an uninvolved vehicle came around the corner up ahead and into the path of the race. The racers did not stop the race, and they kept accelerating, causing the other motorist to take evasive action. After the group of racing was over, all the cars did u-turns in the street and left very fast headed back to Portland meadows. Six cars in a row blatantly ran the same stop sign on the way back. The final group of about 60 cars left to go race at the last location. They all left in a car van and went east on Marine

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drive, a road which as you know is -- has a history of serious crashes. One car passed a long string of cars at an estimated maybe 80 miles an hour on a corner near north vancouver avenue. During the trek along marine drive, several of the cars in the middle of the pack turned their headlights off with oncoming traffic coming at them. Once they got to the race location, there were two more races. They used a car, pulled sideways in the roadway with its headlines turned on for a finish line. At the end of the first race both cars did a cookie in the street under power, spun around in a circle rather than turning around properly, and headed back towards the start. On the second race both cars kept accelerating to within about 200 feet of the next intersection before decelerating. If another car would have been coming, there would have been no way to stop in time. There have been claims by street racers that they are safe and use good judgment. You decide if this means your -- meets your criteria for safety is. There's more that I could share but I think this demonstrates the kind of reckless behavior that threatens our citizen ifs we don't take speed racing off the streets. Another question might come up if passed, who would be affected by this ordinance. First of all, Oregon law already prohibits a person from driving a vehicle or participating in any manner in speed racing. That's an -- that's not new law. Secondly, any person involved in a speed racing event on a highway or premise open to the public is in violation of 811.125 and subject to receiving a traffic citation. Speed rationing is a class a violation with a base fine of \$295. Thirdly, the ordinance simply gives police officers the authority to tow the involved vehicles on the spot to provide a sure and immediate deterrent to the behavior. If a person drives a vehicle to a location for the purpose of participating or supreme courting the race as a spectator, then they will be subject to being cited and having their vehicle towed. The question might come up and it probably will, what happens if a person just happens to be in the area? When a speed contest occurs? Will they be subject to this ordinance? The answer is, it will be the responsibility of the police officer to articulate fact that's clearly indicate the person was there as a participant in the event and not just an innocent passerby. It's the onus of deciding who is involved here, are they real letter a participating in this event, just as the forman-ali fight. Thousands are people are there to watch it. It's an event, it's a happening, and it's -- if folks egg one another on, it's difficult to say who involved that's there as a spectator is going to be next to race, because that's the way it works. Out of the crowd comes a couple more. It's on us to prove that. If a police officer comes around the corner and see as race in progress, certainly the two people racing that they see racing are certainly in violation of Oregon law, but they're not going to be able to make any other citations unless they can say for sure that these people went from point a to point b as a group, where no one is around and set out to participate in this event. It's very important to us as the Portland police bureau and i'm sure to you, that we don't target anybody or see anybody account I can't believe for something we're not sure of. That's our promise. If past -- passed when this will ordinance be enforced? I know you spoke with chief kroeker, the police bureau will begin a public awareness effort to ensure citizens are educated on the specifics of the ordinance and how it will be enforced. When a reasonable effort has been made to ensure that our citizens are aware, the ordinance will be enforced. It's the hope of the Portland police bureau that not one citation will have to be issued. Not one vehicle towed. That would be my hope. However, as servants to the community charged with ensuring safety and neighborhood livability, we cannot and will not allow the citizens of Portland to be put at risk any longer. We have no desire to stand in the way of car enthusiasts enjoying their support in a safe environment. However, it cannot be tolerated on the streets of our city.

**Katz:** Thank you. Questions?

**Hales:** A couple. First of all, mayor and chief, I just want to commend this piece of work. I -- I think it's great. I'm glad you're here with a proposal, and we'll talk more about it as we get into discussion. I just want to commend this. This is absolutely timely and appropriate that we be doing this. My only questions are really based on a notion that we should go as far as we can in this

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effort, so i'm not sure if we're going as far as we are under state law allowed to go, so that's what i'm trying to understand. In other words, we've talked about this chief, and you've been clear about this, if I were to take a gun and fire it down the community property of a public street, I would not be able to -- I should not expect to be able to pay a fine and recover that gun. But if I use the weapon of choice in america for killing each other, the automobile, and use it in a reckless way and -- in a public street I can actually pay a fine and get it back. My first question is, do we have to give them back? And then I have other questions, but that's not just a rhetorical question. In other words, if we're getting clear about this as a society, driving a car is a privilege, not a right, unless you're doing it on your own property, or on a racetrack, that's why you have to have a license if you're off the racetrack or off your own property, if you abuse that privilege, why do we have to give the instrument of destruction back to the purpose traitor? And do we? Under state law, have to give it back? Do we know the answer to that question?

**Kroeker:** If I had my way in a situation where someone is using a vehicle in a reckless way or driving under the influence, this car would be forfeited and sold. And the money would be spent for education against drunk driving. This would be a good cycle for that -- the funds in that manner. Right now, however, there are some restrictions that bind us having to do with seat forfeiture and the like, so that's an entirely different discussion when it comes to asset forfeiture, and there are a lot of restrictions, case law and the like that bind us in this way. In the tool that is before us, it is a step I believe in the right direction.

**Hales:** I agree with that.

**Kroeker:** We do have to give them back.

**Hales:** The question is, can we go any farther than this? Will state law allow us to not just impound and release the vehicle, but to impound it and sell it?

**Katz:** I want everybody to know the city attorneys have been working both linda and linley sitting over there, so we're going to ask them that question.

**Linda Law, City Attorney's Office:** Linda law for the city attorney's office. As to the request of whether we have to give it back, yes, we do, because we're doing an impound ordinance, which says we can take it for a short period of time, and then we would have to give it back when they meet the requirements of paying for the towing and storage and administrative fee and also providing the proper validations of their ownership and licenseship for driving. We are not doing this as a forfeiture mechanism because we have not gone there yet. They are restrictions currently under state law under ballot measure 3, which has been written into the Oregon constitution, and we could look into that as opposed to a possibility as an additional offense for which we want to do forfeiture. So that's up to the council to think about that and we would be able to work with you.

**Hales:** Do we have the authority to seize a motor vehicle used in the commission of one of these crimes and sell it to other licensed drivers and forfeit -- and have the original owner forfeit ownership of that? Do we have that authority at all?

**Law:** We have that possibility through -- for example, lien foreclosure, such as when people don't pay the towing -- total lien on the piece of property. We give them a chances to pay, they don't do that and we take steps to extinguish their rights under that particular foreclosure.

**Hales:** But we don't have the authority for these other specified offenses to do that? I'm asking you a yes-or-no question. Do we have the authority? If someone operates -- if somebody is drink and drives at 100 miles an hour down a city street and we stop them, do we have the authority to take their car away permanently?

**Law:** Yes. For duii.

**Hales:** Okay. For speed racing?

**Law:** No, unless you do lien foreclosure process.

**Hales:** Just for duii?

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**Law:** That's correct.

**Hales:** For not reckless driving or speed racing or the other things mentioned -- mentioned in this code? Fleeing a police officer.

**Law:** We have the option under criminal forfeiture. That would be up to the da's office to work with us on that. For certain felony offenses, we could go into criminal forfeiture, but first we have to prove the criminal guilt of that individual and then also work on some of the other components such as ownership issues.

**Hales:** One more question along those lines before I ask something more specific. While that criminal prosecution is underway, are we under any requirement to give the vehicle back?

**Law:** If they request for -- request the vehicle to be returned to them and the court allows it.

**Hales:** So a judge would have to order that.

**Law:** That's correct.

**Saltzman:** Did you say criminal?

**Hales:** If we're prosecuting -- okay. One more specific question, and that is under the council's direction and the code, subsection k, the -- it says right above that, 16.30.220, an officer -- an authorized officer may without prior notice order a vehicle towed when one of these offenses is has happened. Driving uninsured, driving while suspended or revoked. Why is that word "may" and not "shall"?

**Law:** It gives the police officer the opportunity to take a look at the situation and the circumstances and determine whether some other issues may occur, and I think the officers can talk about some of the factual circumstances which would be will better for the city not to tow in that particular case.

**Katz:** Do you want to answer and then I want to ask --

**Linly Rees, City Attorney's Office:** When we -- i'm with the city attorney's office. We have looked at some cases where in certain instances judges have required police to have called a relative, or other circumstances like that where we are not allowed to tow the vehicle because there may have been mitigating circumstances where they could have released the vehicle to somebody else. So constitutionally it is important to have the language "may" rather than "shall" to give the officer some discretion.

**Hales:** Thank you.

**Saltzman:** I have a follow-up. Maybe the chief. I'm more concerned about relaxing the standard and -- an officer has to have some reasonable belief to probable cause. Why do we have to do that? What's wrong with reasonable belief?

**Law:** Commissioner Saltzman, actually that raises the level for the officers to meet.

**Saltzman:** Why are we making it more difficult for an officer to make impound a car under this by elevating it to probable cause rather than keeping it as it is, reasonably believes?

**Law:** It mirrors the language that we have in the state law for driving uninsured, driving suspended or revoked and also for operating a vehicle without a license and driving under the influence, current state law requires probable cause for those offenses, those vehicles to be towed.

**Saltzman:** Even though -- so our existing ordinance need to be corrected on this regardless of what we're doing today?

**Law:** Actually, in terms of determining probable cause, there is a reasonable belief component and we're just actually clarifying that because in having the right to say an individual is violating these particular offenses, the officer has to have reasonable belief that is both reasonable for him as a person, but also reasonable in terms of the objective person as well. So --

**Saltzman:** This does not apply to an officer having the reasonable belief to pull somebody over if they think they're driving under the influence, it only applies to towing the car. Reasonable belief still existing for driving under the influence, things like that.

**Law:** Right. To start the investigation.

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**Katz:** Only for towing without --

**Hales:** Okay.

**Saltzman:** Two other questions. To get the car back, I know when you make prostitution arrests of solicitors, you require both names on the title show up to get the car back. Is that also going to be true for this? The title holder names have to show up to reclaim the car?

**Katz:** Grab the mike and identify yourself for the record.

**Pacheco:** My name is sergeant pacheco. Once again, it's going to require the owners of the vehicle to provide ownership papers that they have a driver's license, they have insurance, similar to what I was before with the prostitution.

**Saltzman:** And all the owners to show up?

**\*\*\*\*\*:** Gentlemen.

**Saltzman:** Finally --

**Hales:** It doesn't say that here. It doesn't appear to say that. If that's the practice, that's fine.

**Saltzman:** Why aren't we moving on the spectator now and just having an enforcement moratorium? It seems to me we want to send a message out today, an emergency ordinance, we should include the language, as the county and gresham have done, let them know we'll do the education. We're going to go ahead and -- spectators are pretty integral part.

**Lucich:** I would agree. But I also have some reservations. I think it's important that if this is really the problem that we're saying that it is, which we believe it is, then it needs to go in effect. It is an emergency today, because we can't afford to lose one more serious -- one more life or have a serious injuries because of this type of thing. But it's also important that we as an enforcing entity at the Portland police bureau get our ducks in a row to understand how to -- I don't want the situation where an officer is saying, we can tow spectators so they roll around the corner and have that example happen where think they -- they misunderstand or misses interpret where the -- where we really stand as a city. So it would be what chief kroeker and I would want to do is to put together training for our own bureau so that we all understand the rules we're going to play by, and do that public awareness campaign to make sure that we can do this and that's why I didn't put a time when I suggested an actual time on it, but when we feel like we've gotten the public awareness out, that it's going to happen, because I really believe if I can go back in time with the issue of when gresham adopted their ordinance and they were the only ones, they are a real serious problem with the same thing. The minute that they adopted their ordinance, it was our problem and not theirs anymore. And I really feel strongly that if the teeth of this ordinance are strong enough, that it will take care of itself. But we need to make sure that we're prepared, that we try to make an attempt to let everybody know, because from the very beginning I felt this is not a situation where the police want to try to trick somebody and tow their cars, we want them all to know and stop the behavior and we don't care if we site anybody for it.

**Saltzman:** I agree, public outreach and getting the message out is important. While the message is getting out today, we have four or five tvs. We've got the press here. I want the parents to hear that. We can hold off enforcement until have you your ducks in a row. But them get the message today loud and clear.

**Katz:** Let me see if I can explain. We're going to assuming that everybody supports this, we're going to adopt this today. The question for the council is, do you want to on faith, since the language says "may," give the police bureau the opportunity to do their 30-day or whatever time line in terms of public education, or do you want to just predate that portion of it for 30 days and give them a time for public education? We can do it either way.

**Hales:** I didn't quite understand you when you testified. Are you suggesting that you're going to wait a while before you enforce this?

**Katz:** No.

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**Saltzman:** Before we put it in the ordinance.

**Katz:** It is. It in the state law.

**Kroeker:** It has to do with impounding of the spectators to the speed racing.

**Hales:** Just spectators.

**Katz:** Just the spectator.

**Hales:** Okay.

**Kroeker:** We want to make sure as the sergeant explained, we train them adequately, and we produce this public opinion rather public awareness piece, and also that I have an opportunity to talk with various other law enforcement executives in the metropolitan area about a uniformity of enforcement activity so we don't have what happened with Gresham when they all came to Portland when that began. I also want to point out that if you were to pass the ordinance today, it is may, that means we do have discretion and there's only one law where we really require to arrest and that's domestic violence. In this one we have discretion, we can use the time and just not time date it, but do it on the basis of the field when we believe the community is really aware what our officers are capably trained and we can start enforcing that.

**Katz:** We'll have a discussion with the council. I think the next question is going to be why a speck -- is spectator in the in the code here and it's because it's in the state law.

**Law:** That is correct. The state law provides for people are violating speed racing law when they drive the vehicle or participate in any manner.

**Hales:** That's swept in when you refer to that ors.

**Katz:** Yes. So we can have a discussion on -- it is included, we can act on the whole thing today, we can give them the discretion not to tow spectators until they've had enough of a education or dialogue, or you can delay that piece of it for 30 days. It's up to the council.

**Saltzman:** I want to make sure I understand. Spectator is already part of this package even though it's not spelled out.

**Katz:** Yes.

**Saltzman:** I guess my preference is go ahead and do it today, have your enforcement delay on that item only. Then let's kick it in as soon as possible.

**Katz:** It's up to you.

**Kroeker:** I would be delight first degree that were the case.

**Hales:** This draft is fine for the whole thing, as far as i'm concerned.

**Katz:** Let's hear public testimony. Thank you. Just make sure that the officers know exactly the difference between a bystander, an innocent bystander and a spectator.

**Kroeker:** We may have one more quick word on this. I want to make it really clear my organization, the Portland police bureau, is not demeaning young people. We are not marginalizing them and their good times that they have as young people. On the contrary. I point to prom night and the way that responsible young people have performed in converting that into a sober event. And an event where they took that in their own hands and made the designated driver and all that a reality and reduced the traffic collisions and the fatalities out of prom night enormously in our region. The same should be said here. What we're doing today is a tool, but really the answer is with the community, with the parents and with the young people themselves who are engaged in this activity. They need to clean themselves up.

**Katz:** Okay.

**Hales:** Under the new language, I think i've got it, once the vehicle is towed, it's towed by a private company, and it's released when one, they demonstrate they've paid the fees and charges, although it isn't set up this way in the statute, in the construction of the ordinance, two, the all of the lawful owners have appeared, all of the lawful owners. I own a car, jointly with my 20-year-old son. If he were to be -- let the record show he's never had a moving violation, but if he were to have one and



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were to get pulled over, he and I would both have to show up to collect the vehicle, the fees would have to be paid, we'd have to prove we still have valid insurance, not that we had valid insurance a week ago, but that we still have valid insurance, right, and then we get the car back.

**Pacheco:** Page 3, a person with a valid driving privileges will be -- prove -- if the fees are not paid for the vehicle will not be released.

**Hales:** Under that scenario if the minor had lost their license or lost their driving privileges or lost their insurance, and the minor and their parent both showed up, you would release the vehicle to the parent. Right?

**Pacheco:** If the parent was the owner, yes.

**Hales:** If it was jointly owned and -- in the scenario I described.

**Pacheco:** If it was one of the people on the thing, we would give it back to the parent.

**Hales:** Okay. But they would have to show up.

**Katz:** Any further technical questions? We'll act on the entire thing today without any amendments unless something else comes up, with the understanding that you will at least delay that portion of it for your public education and outreach.

**Beverly Ickes, 14319 SE Carol Ave., Milwaukie OR 97267:** I live in milwaukie, Oregon, my name is beverly ickes. My husband donald was shopping ten days before christmas for train parts for the tree -- the train he puts under the tree for our grandchildren. When he left that shop on southeast division, it -- at 1:00 in the afternoon, he was struck and killed by a car which by all accounts was traveling in excess of 70 miles per hour. Physical evidence and eye witness reports agree that there was a race going on. The young man, who was driving that vehicle as I understand it, was driving on a suspended license. The vehicle was owned by his mother and insured minimally. He had been cited over and over and over for not having insurance, driving uninsured, disregarding traffic signals. There's a four-page dmv report on this driver. If at any point in that time line his vehicle or his mother's vehicle had been impounded, my husband would be alive today. This good man that I was married to for 40 years and who enjoyed retirement for just 15 months would be alive today. I support getting behind impounding these cars. I would be in support of permanently forfeiting the cars. I don't know any reason why a parent should be able to turn keys over to a known suspended driver and allow that irresponsible young person to wreak such havoc in the community and in my life. And in my children's lives and my grandchildren's lives. I think that car never should have been in that young man's hands. I support increasing the penalties and I would be behind forfeiting.

**Katz:** We're terribly sorry for your loss and for your family's loss. We will enact this today. Let's go back and get an accurate response on the for -- the permanent forfeiture of the automobile. Not right now. Before we vote.

**Jada Mae Langloss, 4018 N. Kerby, 97227:** At one time in my life I owned four pollute mobiles, of which had to work three jobs in order to support them. I found very early in my life over 20 years ago these are just great big bullets. Guided missiles. And if in the hands of the wrong drivers, misguided missiles that can stop the life of anybody. And so I got rid of all my pollute mobiles and my big bullets, and i'm I have happy to drive along with tri-met. So it took me three jobs to support these vehicles. When I got rid of them, because of many reasons, my kids didn't want to have anything to do with me anymore, and all my sweet talking future sweethearts all disappeared looking for women with more wheels. But it gave me freedom for the first time in my life and i'll never give it up.

**Katz:** Thank you, jada mae. Sir?

**Tommy Wisniewski, PO Box 33097, 97292:** I live in Portland, Oregon. I'm kind of against for the wording with the street racers on there. Everybody is centering around the losses we've had in the last six months, and the losses we have had is not organized street race. It's been a reckless

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driving, is what's been going on. The organized street racers that have been out there that i've been with, there's guidelines, we go further out, we're not right downtown, there's -- we don't do it in the rain like the last one, where the kids were for the oncoming car, to her loss, that was during the middle of the day. That was just at a late-to-light -- light-to-light, going up the street. The word "street racer" is what everybody is centering on, is where there is an organized section, a painted start, a painted ending and everybody is behind that line when they -- when the two cars go down. Everybody is just focusing on any reckless driving and calling it street racing. That's -- I don't know. That's not the definition for that word.

**Katz:** Thank you.

**Wisniewski:** Also, participation which is under the state law for participants only, with that I wanted to ask, participants being people that are participating in as in driving, or is it going to be watching with that if they're standing and their cars are park add block or two away is that still considering participation if their cars are down the street and they're standing? Because their car is not in the site of where it's going to be racing. With that -- let's see. The reckless driving I was talking about earlier is -- there's been losses with. The organized street racing that goes on, there has not been that I know of, from at least eugene to seattle, a death in the organized street racing. The reckless light-to-light, in the rain, stuff like that, is what has caused the deaths and losses for families. The -- it all has to center around the definition of the word. Everybody is quick to see a car going fast down the road and say they're street racing or two of them, when basically they're reckless driving. We have that on the Oregon statutes right now.

**Katz:** Thank you.

**Wisniewski:** Vera, I forgot one very important --

**Katz:** Are you finished? Okay. He's got --

**Wisniewski:** I've got some more.

**Katz:** Quickly.

**Wisniewski:** I think too, before -- if it's enacted today, things should be written down or at least the 30 days notice going around, handed out before cars are just taken or whatever is in -- like tonight, if two people got caught racing, what happens tonight? They impound their cars, or not? With that, it was said earlier that let the police do the training for the next 30, 60 days, and let them determine what's going on. When I think things more should be written down before anybody is enacted on, and let the word go around in writing, because things do get astray sometimes, not saying, you know, any organization, things get astray, word of mouth goes around, some people go too far, some people don't. You're talking about the whole city of Portland, so when you're talking about the city, there's a lot more police around and out that have their own definition of the words, or of towing, or what their ideas should be, their own morals in there with that.

**Katz:** Thank you. That was the discussion we just had a few minutes ago.

**Wisniewski:** The thing I wanted to bring up is what if you owe \$25,000 on that car and your teenager goes off and uses it? And they confiscate the car no: Who is going to pay the \$25,000 owed to the car dealership? That's something I would like to know.

**Katz:** Thank you.

**Jack Brown, 11023 SW 29th Ct., 97219:** My name is jack brown, i'm a Portland resident. I'm indebted to the speaker immediately before me for giving an object lesson on why this ordinance is lesson. -- is necessary. You, mayor Katz, indicated that driving is a privilege and I agree with that. But I am hearing in the comments of some of the people in the newspaper articles and in the testimony immediately before me that some regard it as a right to violate the laws that they all know exist and conduct these kinds of racing events on public streets that are there for the use of all of us. If there is a right in this situation, at all, it's a right on the part of all of us to use the public streets in harmony and in safety and without the fear of having these kinds of events whether they are two

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individual automobiles spontaneously racing each other, or whether it is the kind of organized event that the police officer spoke about. To not be taking place on public ground. That is the right that exists here. I'm concerned about the fact that we're only talking about towing and impounding vehicles here. The 20-year-old driver who killed my brother-in-law last december as my sister indicated, had a very long and abysmal driving record. His insurance had been cancelled long ago. He had a long succession of arrests for driving uninsured. He did not own a vehicle himself at the time of this collision, he had a \$35,000, 6,000-pound, 1-year-old sport utility vehicle provided for his use by his mother. That is the weapon he used to kill my brother-in-law. Towing that vehicle is better than not doing anything at all, but it is not anywhere near as effective as forfeiture of that vehicle. And if there is a \$25,000 loan to a bank somewhere, owing on that vehicle when it is impounded and forfeited, the responsibility for paying that loan rests with the parent who provided the keys to that driver, because the parents of these kids know what they're driving records are like, these driving records are not being accumulated in secrecy, in most instances the parents who are providing the transportation know what kinds of drivers they're putting out on the street. So I would -- my vote would cast for enacting the ordinance you're talking about, but with a view to expanding the scope of that ordinance to include forfeiture of vehicles where there's a probable cause that that vehicle was used in a street contest. That's my comment.

**Marko Ullmer, 3655 NW Thurman, 97210:** Hello, my name is mark, I live at 3655 northwest thurman. For the seven years that i've listed there, there's been organized drag racing in the industrial area right below my house. When there is racing, sound comes right up into my bedroom, and wakes my whole family up. I would tell you we are terrorized, I use that -- I don't use that word lightly. Imagine if you were woken up between midnight and 2 o'clock every friday and saturday in the summer months. As far as frequency, I gotta tell you, it's even got worse in the last year or two. Until the seven years I have tried all manners of trying to deal with this. I've talked to the police, every time it happens I call up the nonemergency line. I've done petitions around the neighborhood, i've worked with the neighborhood association, and the problem is from what I understand and -- in talking to the police, is they can break it up, but nothing happens. So I can tell you exactly where there's going to be a crime every friday and saturday night within an hour, and it's been going on for seven years. I urge you to pass this ordinance. Thank you.

Katz: Thank you. Anybody else want to testify? All right. Will our attorneys come back up again and mark, if you want to join them, it's up to you. Captain, did you want to add anything on the forfeiture item? Mark, you've been elevated. Okay. Why don't we start with mark.

\*\*\*\*\*: Please.

\*\*\*\*\*: All right. Linley.

**Rees:** We're all passing to linda.

\*\*\*\*\*: All right, linda.

**Law:** Linda law with the city attorney's office. As to the forfeiture on speed racing, we are currently unable to do that because it is a class "a" infraction. Civil forfeiture does not allow forfeiture of offenses relating to infractions, same thing for criminal forfeiture, that is new on the books. So if we would like to have forfeiture on speed racing, we would have to do something about that with this state legislature.

**Katz:** Mark?

**Mark Landauer, Office of Government Relations:** Office of government relations for the city. Linda has I believe pointed exactly to what the problem we face. On forfeiture, this type of behavior needs to be categorized as a misdemeanor, a person would need to be brought into court, convicted, at which time the city if it had an ordinance that would permit forfeiture, then we could pursue forfeiture. Do to ballot measure 3, we do not have forfeiture provisions within city code that meet with the constitution of this state, and so there is a great deal of work that needs to be done

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yet. But certainly the first step would be to make street racing for lack of a better word, a class "a" misdemeanor and then we could certainly pursue a forfeiture in the future.

**Saltzman:** Mrs. Ickes and mr. Brown brought up a different new answer, and that is when the driver has -- nuance, when the driver has a known suspension of license, and I know I still realize it probably takes a state law changes, but if there's any leeway we have that says when there's knowledge of a prior record, suspended license, that gives us more of a basis perhaps.

**Landauer:** Not being a police officer or an attorney, if there was any opportunity for the police to charge a speed racer were -- with -- driving problem -- reckless driving, the city would have the capacity at this time to pass an ordinance to permit forfeiture of that vehicle. But beyond that --

**Saltzman:** If we included reckless driving as driving wrought a license, suspend license --

**Landauer:** That would have to be answered by the attorney's office. I can't answer that.

**Saltzman:** I'd like to see --

**Law:** If speed racing -- if somebody participating as a speed racer was charged with reckless driving, it is potential or possible for the city to pursue forfeiture.

**Katz:** Let me tell you what i'm going to do. We're going to vote on this now. I'd like the council -- the council is interested in going as far as they possibly can. So put your heads together and if you can agree on this problem, whether we go as a misdemeanor, whatever we decide to do, come back -- let's come back next week and if you're ready by next week, maybe the week after, and present us with an alternative. If there is one.

**Rees:** Your preference would be we come back to council or would you rather we write up a memo or something?

**Katz:** Let us all review it and then we'll make a decision to come back to council. All right. Roll call.

**Hales:** Again, first, bravo, mayor, to you and to the bureau for bringing this forward. I'm very pleased to see this here today. Reflecting on this hearing, I think it's actually been a good exercise to help illustrate this issue that we're starting to get clear about this as a society. Though there's still some confusion. I think there used to be confusion in the police bureau about this, I think it's gone.

It -- there might have been confusion in the past by the city council. I think that's obviously gone. I hope there's not still confusion in the legislature about this, but maybe we can help make sure it's gone there too. And that is, we've got rights as citizens. I've got a right to free speech, i've got a right to practice my religion, but I don't have a right to drive. That's why i've got a license. The community grants me the privilege, the privilege of driving a piece of machinery on public property, and that privilege is regulated. So this civics lesson apparently needs to be learned and relearned. If this community ever implied that there was a privileged granted for racing automobiles on public property, if we ever gave anybody the impression that you could race automobiles on public property, it ends today. You can't do it. It's illegal. [ applause ] we need to be clear were that. And there are plenty of places in Portland actually where you can race automobiles and watch automobile races. We actually even own one of them as a community. So it's not like we're denying anybody the opportunity to participate in automobile racing. But automobile racing needs to happen on a racetrack and safe driving needs to happen on city streets that we all own. So it's nice that we're getting clear about this. If we have to do more to help the legislature get clear, so that when you violate the law and use an automobile as a weapon that you lose the weapon, because that ought to be the next step, then let's go do that, mayor, and I know you're energized and are working on that, and I think we all are eager to see that change made. So this is a good step so far. Look forward to the next one, and this afternoon is a long enough delay in forcing the ordinance. Aye.

**Saltzman:** I want to thank the mayor and the bureau for bringing this forward quickly, and I do want to extend my apology to mrs. Ickes and mr. Brown, but unfortunately public policy gets

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driven by tragedies such as you've suffered. We're usually very good at adopting things after tragedies. The tragedies you've suffered, and number of other people, is what resulted in this ordinance today. With regard to spectators, I think it's important the gentleman who was supporting racing mentioned the issue of how far a spectator is from their car. I hope we interpret it if they're there, it doesn't matter. They're a spectator and they're enabling this behavior. The behavior they're enabling, when you break this down, is very psychological in nature. We have primarily men, suffering low self-esteem, typically poor social skills and communicating with women. The only way they feel they can demonstrate their manhood is to move 5,000 pounds of metal faster than the next person to them. That's the social issue. We can attribute to it passions of youth, but that worked in the '50s. Now we have more cars, faster cars, and it's a lot more dangerous world out there. That's the issue we have to come to grips with. This is nothing more than abhorrent behavior, and people to facilitate that behavior and enable it are just as guilty. Aye.

**Sten:** I'm also very sorry for your loss, and I think this is an obvious step and I want to thank the chief and your team and the mayor for bringing it forward. I think it's mostly been said. What we can do on forfeiture, i'd like to take a look at that. It's hard to know right off the top what the right strategy is i'm confident if the police get out there at these street racing scenes and take the cars of everybody involved and lock them up and flake their parents come down and pay a very strong fine to get it back out, it's going to have a huge chilling effect on this immediately. So I think this is -- we may need stronger sanctions but i'm confident this law en -- can shut down the problem of the organized racing. I think -- I don't agree at all with the young street racer, although I admire the fact you at least come in and talk about it. On your difference between street racing and reckless driving, but I do agree with him this may not solve the problem of reckless driving without more steps. About you I -- it is a different issue. The idea of the speck traitors having their cars taken and the racers knowing they're going to have that car locked up, it's a significant amount of money to get it back out is going to change the whole game. I think it's a good piece of thinking and look forward to your successful implementation. And I agree with commissioner Saltzman, that it's too bad that it's sometimes takes a tragedy to see this, but also this behavior is really become epidemic in the last stretch of time, sow we all are dealing with a new organized approach to this. So I hope we -- it works and would be interested in looking at the other pieces that may be available to us. Aye.

**Katz:** At the movies and television has glamorized street racing. In the '50s, in 2001, 2002. We should have learned our lesson in the '50s. That also bought -- brought death and tragedies to families and to loved ones. This council has sent a very loud and clear message. Driving is a privilege. It is not a right. And if you violate that privilege, and if you break the law, your car will be towed, you will pay a high fine for breaking that law, and we will come back and review whether we can as a council enact item of forfeiture or if not, if we will go as a council to the legislature and enact it there. I am again sorry to both of you for your loss, and to others who have lost their loved ones. And i'm sorry that we didn't react to this or respond to this before. But we did need to do some work, and for that work I want to thank our city attorneys and our two sergeants who were actively involved in thinking through these issues and putting an ordinance together that will pass constitutional muster. Aye. [ gavel pounded ] thank you, everybody. We don't have any more business before the council. We stand adjourned. [ gavel pounded ]

At 1:28 p.m., Council adjourned.