



April 10-11, 2024 Council Agenda

5760

1900 SW Fourth Avenue, Room 2500, Portland, OR 97201

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Questions may be directed to councilclerk@portlandoregon.gov

Wednesday, April 10, 2024 9:30 am

Session Status: Recessed

Council in Attendance: Mayor Ted Wheeler

Commissioner Carmen Rubio

Commissioner Dan Ryan

Commissioner Rene Gonzalez

Commissioner Mingus Mapps

Mayor Wheeler presided.

Officers in attendance: Linly Rees, Chief Deputy City Attorney; Keelan McClymont, Council Clerk

The Consent Agenda was adopted on a Y-5 roll call.

Council recessed at 11:49 a.m. and reconvened at 12:00 p.m.

Council recessed at 12:28 p.m.

Communications

277

[Request of David Stein to address Council regarding transportation funding and priorities](#) (Communication)

Document number: 277-2024

Disposition: Placed on File

278

[Request of Wayne Gazzola to address Council regarding artificial intelligence processes in democracy](#)
(Communication)

Document number: 278-2024

Disposition: Placed on File

279

[Request of Heath Li to address Council regarding discrimination concerns](#) (Communication)

Document number: 279-2024

Disposition: Placed on File

280

[Request of Marita Ingalsbe to address Council regarding development proposal for Alpenrose Farm](#)
(Communication)

Document number: 280-2024

Disposition: Placed on File

281

[Request of Daniel DeMelo to address Council regarding the Joint Office intergovernmental agreement](#)
(Communication)

Document number: 281-2024

Disposition: Placed on File

Time Certain

282

[Proclaim April 2024 to be Parkinson's Awareness Month](#) (Proclamation)

Document number: 282-2024

Introduced by: Mayor Ted Wheeler

Time certain: 9:45 am

Time requested: 20 minutes

Disposition: Placed on File

283

[Accept 2023 State of Small Business Report](#) (Report)

Document number: 283-2024

Introduced by: Commissioner Carmen Rubio

Bureau: Prosper Portland; Development Services

Time certain: 10:05 am

Time requested: 30 minutes

Disposition: Accepted

Motion to accept the report: Moved by Mapps and seconded by Ryan.

Votes: Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea

284

[Amend Hearings Office Code to transfer the Hearings Office from Office of Management and Finance to Auditor's Office \(amend Code Title 22\)](#) (Ordinance)

Document number: 191689

Introduced by: Auditor Simone Rede

Bureau: Portland City Auditor

Time certain: 10:35 am

Time requested: 15 minutes

Disposition: Passed to second reading

Passed to second reading April 17, 2024 at 9:30 a.m.

Consent Agenda

285

[*Pay property damage claim of Salvador Sandoval for \\$9,367 resulting from a motor vehicle collision involving the Portland Water Bureau](#) (Emergency Ordinance)

Document number: 191675

Introduced by: Mayor Ted Wheeler

Bureau: Management and Finance; Revenue and Financial Services; Risk Management

Disposition: Passed

Votes: Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea

286

[*Pay settlement of Florante Sabino property damage claim for \\$8,786 involving the Portland Bureau of Environmental Services](#) (Emergency Ordinance)

Document number: 191676

Introduced by: Mayor Ted Wheeler

Bureau: Management and Finance; Revenue and Financial Services; Risk Management

Disposition: Passed

Votes: Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea

287

[Authorize Intergovernmental Agreement with Multnomah County for the Hawthorne Bridge Overlay Project not to exceed \\$220,000](#) (Ordinance)

Document number: 191677

Introduced by: Commissioner Mingus Mapps

Bureau: Transportation

Second reading agenda item 267.

Disposition: Passed

Votes: Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea

288

[*Accept and appropriate grant for \\$350,000 from Metro and authorize Intergovernmental Agreement to implement Portland Industrial Land Readiness Project](#) (Emergency Ordinance)

Document number: 191678

Introduced by: Commissioner Carmen Rubio

Bureau: Planning and Sustainability (BPS)

Disposition: Passed

Votes: Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea

Regular Agenda

289

[*Authorize settlement and payment of attorney's fees and costs in Michael Kessler v. Ted Wheeler, Mayor of City of Portland, and City of Portland for amount not to exceed \\$166,893 \(Multnomah County Circuit Court Case 22CV41219\)](#)
(Emergency Ordinance)

Document number: 191679

Introduced by: Mayor Ted Wheeler

Bureau: City Attorney

Time requested: 15 minutes

Disposition: Passed

Votes: Commissioner Dan Ryan Yea
Commissioner Rene Gonzalez Yea
Commissioner Mingus Mapps Yea
Commissioner Carmen Rubio Yea
Mayor Ted Wheeler Yea

290

[Accept Guaranteed Maximum Price of \\$7,557,030 from Granite Construction Company for construction of the NW 9th Ave/NW Hoyt St System Improvements Project \(Procurement Report - RFP 00001775\)](#) (Report)

Document number: 290-2024

Introduced by: Mayor Ted Wheeler

Bureau: Management and Finance; Revenue and Financial Services

Time requested: 15 minutes

Disposition: Accepted - Prepare Contract

Motion to accept the report: Moved by Gonzalez and seconded by Ryan.

Votes: Commissioner Dan Ryan Yea
Commissioner Rene Gonzalez Yea
Commissioner Mingus Mapps Yea
Commissioner Carmen Rubio Yea
Mayor Ted Wheeler Yea

291

[*Authorize contract with Dell Marketing L.P. to purchase Microsoft Office 365 licenses and Microsoft software as a service for three years not to exceed \\$12 million](#) (Emergency Ordinance)

Document number: 191680

Introduced by: Mayor Ted Wheeler

Bureau: Management and Finance; Technology Services

Time requested: 15 minutes

Disposition: Passed

Votes: Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea

292

[Declare property located near the intersection of SE Morrison St and SE 51st Ave as surplus property and authorize the Bureau of Transportation to dispose of the property for fair market value](#) (Ordinance)

Document number: 191687

Introduced by: Commissioner Mingus Mapps

Bureau: Transportation

Time requested: 10 minutes

Disposition: Passed to second reading

Passed to second reading April 17, 2024 at 9:30 a.m.

293

[Declare property west of N Marine Dr as surplus property and authorize the Bureau of Transportation to dispose of the property for fair market value](#) (Ordinance)

Document number: 191688

Introduced by: Commissioner Mingus Mapps

Bureau: Transportation

Time requested: 10 minutes

Disposition: Passed to second reading

Passed to second reading April 17, 2024 at 9:30 a.m.

294

[Accept grant from Oregon Department of Environmental Quality for Zero-Emission Fueling Infrastructure at Stanton Yard for \\$432,837](#) (Ordinance)

Document number: 191681

Introduced by: Mayor Ted Wheeler

Bureau: Management and Finance

Second reading agenda item 271.

Disposition: Passed

Votes: Commissioner Dan Ryan Absent
Commissioner Rene Gonzalez Yea
Commissioner Mingus Mapps Yea
Commissioner Carmen Rubio Yea
Mayor Ted Wheeler Yea

295

[Authorize contract with Range Studio, LLC for the Wilkes Creek Headwaters Park Project for amount not to exceed \\$1,234,719](#) (Ordinance)

Document number: 191682

Introduced by: Commissioner Dan Ryan

Bureau: Parks & Recreation

Second reading agenda item 272.

Disposition: Passed

Votes: Commissioner Dan Ryan Yea
Commissioner Rene Gonzalez Yea
Commissioner Mingus Mapps Yea
Commissioner Carmen Rubio Yea
Mayor Ted Wheeler Yea

296

[Approve findings to authorize an exemption to competitive bidding requirements and authorize use of the alternative contracting method of Construction Manager/General Contractor for the Columbia Boulevard Wastewater Treatment Plant Blower System and Building Improvements Project for an estimated amount of \\$26,300,000 \(Project E11038\)](#) (Ordinance)

Document number: 191683

Introduced by: Commissioner Mingus Mapps

Bureau: Environmental Services

Second reading agenda item 273.

Disposition: Passed

Votes: Commissioner Dan Ryan Yea
Commissioner Rene Gonzalez Yea
Commissioner Mingus Mapps Yea
Commissioner Carmen Rubio Yea
Mayor Ted Wheeler Yea

[Authorize price agreements with Jacobs Engineering Group, Inc, Leeway Engineering Solutions LLC, Parametrix, Inc, and WSP USA, Inc for professional engineering services for the Large-Scale Sewer Rehabilitation Program for \\$16 million](#) (Ordinance)

Document number: 191684

Introduced by: Commissioner Mingus Mapps

Bureau: Environmental Services

Second reading agenda item 274.

Disposition: Passed

Votes: Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea

Wednesday, April 10, 2024 2:00 pm

Session Status: Recessed

Council in Attendance: Mayor Ted Wheeler

Commissioner Carmen Rubio

Commissioner Dan Ryan

Commissioner Rene Gonzalez

Commissioner Mingus Mapps

Mayor Wheeler presided.

Officers in attendance: Beth Woodard, Deputy City Attorney; Rebecca Dobert, Acting Council Clerk

Council recessed at 4:20 p.m. and reconvened at 4:30 p.m.

Council recessed at 5:48 p.m.

Time Certain

298

[Accept Understanding Portland Tax Increment Finance District Investment Impacts 2000-2022 Report](#) (Report)

Document number: 298-2024

Introduced by: Commissioner Carmen Rubio; Mayor Ted Wheeler

Bureau: Prosper Portland; Housing Bureau

Time certain: 2:00 pm

Time requested: 1 hour

Disposition: Accepted

Motion to accept the report: Moved by Gonzalez and seconded by Rubio. (Y-5)

Votes: Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea

299

[Accept the Bull Run Treatment Projects 2024 Annual Report](#) (Report)

Document number: 299-2024

Introduced by: Commissioner Mingus Mapps

Bureau: Water

Time certain: 3:00 pm

Time requested: 45 minutes (1 of 3)

Disposition: Accepted

Motion to accept the report: Moved by Mapps and seconded by Rubio.

Votes: Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea

300

[Accept Guaranteed Maximum Price of \\$1,003,753,656 from MWH-Kiewit JV and amend total contract amount to \\$1,290,000,000 for construction of the second and final phase of the Bull Run Filtration Facility Project \(Procurement Report - RFP 00001428\)](#) (Report)

Document number: 300-2024

Introduced by: Commissioner Mingus Mapps; Mayor Ted Wheeler

Bureau: Water; Management and Finance

Time certain: 3:00 pm

Time requested: 45 minutes (2 of 3)

Disposition: Accepted - Prepare Contract

Motion to accept the report: Moved by Mapps and seconded by Wheeler.

Votes: Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea

301

[Accept Guaranteed Maximum Price of \\$330,207,923 from Bull Run Conveyance Partners and amend total contract amount to \\$382,000,000 for construction of the second and final phase of the Bull Run Filtration Pipelines Project \(Procurement Report - RFP 00001634\)](#) (Report)

Document number: 301-2024

Introduced by: Commissioner Mingus Mapps; Mayor Ted Wheeler

Bureau: Water; Management and Finance

Time certain: 3:00 pm

Time requested: 45 minutes (3 of 3)

Disposition: Accepted - Prepare Contract

Motion to accept the report: Moved by Mapps and seconded by Ryan.

Votes: Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea

Thursday, April 11, 2024 2:00 pm

Session Status: Adjourned

Council in Attendance: Mayor Ted Wheeler

Commissioner Carmen Rubio

Commissioner Dan Ryan

Commissioner Rene Gonzalez

Commissioner Mingus Mapps

Mayor Wheeler presided.

Officers in attendance: Maja Haium, Senior Deputy City Attorney; Keelan McClymont, Council Clerk

Council adjourned at 2:18 p.m.

Time Certain

302

[*Revise the City chart of accounts to show newly created service areas, bureau, and bureau hierarchy and adopt the updated appropriations schedule](#) (Emergency Ordinance)

Introduced by: Mayor Ted Wheeler

Bureau: City Budget Office

Time certain: 2:00 pm

Time requested: 3 hours (1 of 2)

Disposition: Rescheduled

Rescheduled to April 17, 2024 at 9:30 a.m.

303

[*Adopt the FY 2023-24 Spring Supplemental Budget and make other budget-related changes](#) (Emergency Ordinance)

Document number: 191686

Introduced by: Mayor Ted Wheeler

Bureau: City Budget Office

Time certain: 2:00 pm

Time requested: 3 hours (2 of 2)

Disposition: Passed to second reading as amended

Motion to make adjustments to the supplemental budget as filed to pay for attorney's fees and costs associated with two legal cases – Michael Kessler v. Ted Wheeler, Mayor of City of Portland and City of Portland, and Tozer, et al. v. City of Portland: Moved by Wheeler and seconded by Mapps. (Y-5)

Motion to make adjustments to the supplemental budget as filed to include carryover funds for the Portland Committee on Community-Engaged Policing to facilitate community engagement necessary for compliance with the U.S. DOJ Settlement: Moved by Wheeler and seconded by Mapps. (Y-5)

Passed to second reading as amended April 17, 2024 at 9:30 a.m.

Portland City Council Meeting Speaker List

April 10, 2024 - 9:30 a.m.

Name	Title	Agenda Item
Ted Wheeler	Mayor	
Keelan McClymont	Council Clerk	
Dan Ryan	Commissioner	
Mingus Mapps	Commissioner	
Rene Gonzalez	Commissioner	
Carmen Rubio	Commissioner	
Linly Rees	Chief Deputy City Attorney	
David Stein	(Communications)	277
Marita Ingalsbe	(Communications)	280
Daniel DeMelo	(Communications)	281
Kevin Mansfield	Public Policy Ambassador, Michael J. Fox Foundation	282
Megan Taye	Public Policy Advocate, Michael J. Fox Foundation	282
Andrew Hoan	Executive Director, Portland Metro Chamber	283
Marion Haynes	VP, External Affairs, Comcast	283
Dr. Mike Wilkerson	Director of Analytics, ECONorthwest	283
Fabiola Cardenas	Owner, Sparkly Gown	283
Shea Flaherty Betin	Director of Economic Development, Prosper	283
Cobi Lewis	CEO and Executive Director, MESO	283
Angie Garcia	Escuela Viva	283
Mitch Daugherty	Director, Built Oregon	283
Simone Rede	Auditor	284
Mike Porter	Senior Deputy City Attorney	289
Kathleen Brenes-Morua	Manager II, OMF	290, 296
Ronda Fast	Capital Project Manager III, Environmental Services	290
Bryan Pirrello	BTS Support Center Manager	291
Kevin Balak	Right of Way Agent III, Transportation	292, 293

Portland City Council Meeting Speaker List
 April 10, 2024 - 2:00 p.m.

Name	Title	Agenda Item
Ted Wheeler	Mayor	
Rebecca Dohert	Acting Council Clerk	
Dan Ryan	Commissioner	
Rene Gonzalez	Commissioner	
Mingus Mapps	Commissioner	
Carmen Rubio	Commissioner	
Beth Woodard	Deputy City Attorney	
Lorelei Juntunen	Owner, ECONorthwest	298
Kimberly Branam	Executive Director, Prosper Portland	298
Michael Buonocore	Deputy Director, Portland Housing Bureau	298
Robert Butler	(Testimony)	298
Edward Campbell	Deputy Director, Portland Water Bureau	299-301
Jodie Inman	Chief Engineer	299-301
Cecelia Huynh	Portland Water Bureau Finance Director	299-301
Timothy Grewe	City Budget Director	299-301
Andre Ourso	Administrator for Center for Health Protection	299-301
Kari Salis	OHA Representative	299-301
Kevin Lux	Executive Secretary - Treasurer of the Columbia Pacific Building and Construction Trades Council	299-301
Maurice Rahming	President, O'Neill Electric, Inc.	299-301
Trampass Simmons	Special Representative for the Western States Regional Council of Carpenters	299-301
Matthew Gierach	City Debt Manager	299-301
Charles Ciecko	(Testimony)	299-301
Lauren Courter	(Testimony)	299-301
Laura Belson	(Testimony)	299-301
robert butler	(Testimony)	299-301
Dee White	(Testimony)	299-301
Charles Waugh	(Testimony)	299-301
Angela Todd	(Testimony)	299-301
Loretta Guzman	(Testimony)	299-301
Tara Faul	(Testimony)	299-301
Tamara Wensenk	(Testimony)	299-301
Sam Diack	(Testimony)	299-301
James Faison	(Testimony)	299-301

Portland City Council Meeting Speaker List
April 11, 2024 - 2:00 p.m.

Name	Title	Agenda Item
Ted Wheeler	Mayor	
Keelan McClymont	Council Clerk	
Dan Ryan	Commissioner	
Rene Gonzalez	Commissioner	
Mingus Mapps	Commissioner	
Carmen Rubio	Commissioner	
Maja Haium	Senior Deputy City Attorney	
Tim Grewe	Director, City Budget Office	303
Anthony Locke	Financial Analyst II	303

Portland City Council Meeting Closed Caption File

April 10, 2024 – 9:30 a.m.

This file was produced through the closed captioning process for the televised city Council broadcast and should not be considered a verbatim transcript. The official vote counts, motions, and names of speakers are included in the official minutes.

Speaker: City Council. Good morning. Keelan, please call the roll.

Speaker: Good morning. Ryan. Here. Gonzales here. Maps. Here. Rubio. Here. Wheeler here.

Speaker: Now we'll hear from legal counsel on the rules of order and decorum. Good morning.

Speaker: Good morning. Welcome to Portland City Council to testify before council in person or virtually. You must sign up in advance on the council agenda at [Portland gov slash council slash agenda](https://portland.gov/council/agenda). Information on engaging with City Council can be found on the council clerk's web page. The presiding officer preserves order and decorum during City Council meetings. The presiding officer determines the length of testimony. Individuals generally have three minutes to testify unless otherwise stated. A timer will indicate when your time is done. Disruptive conduct such as shouting, refusing to conclude your testimony when your time is up, or interrupting others testimony or council deliberations will not be allowed. If you cause a disruption, a warning will be given. Further disruption will result in ejection from the meeting. Anyone who fails to leave once ejected is subject to arrest for trespass. Additionally, counsel may take a short recess and reconvene virtually. Your testimony today should address the matter being considered. When testifying, please state your name for the record. Your address is not necessary to disclose if

you are a lobbyist. If you are representing an organization, please identify it. For testifiers joining virtually, please unmute yourself once the council clerk calls your name, thank you mayor.

Speaker: All right. Thanks. First up is communications. First individual please Keelan.

Speaker: Item 277 request of david stein to address council regarding transportation funding and priorities.

Speaker: Welcome, david. Thanks for being here. Hi.

Speaker: Good to see you all again. Okay. My name is david stein and I am not representing any organization. So good morning, mayor and commissioners. The late charlie munger is quoted as saying, show me the incentive and i'll show you the outcome. Last week, i, along with other members of the city's bicycle advisory committee and pbob staff, did a site visit just south of this building while at the corner of southwest fourth and caruthers, I watched as dozens of drivers ran red lights blocked the intersection in spite of signage directing not to, and one of them nearly hit a crossing pedestrian after blocking the intersection, and the exasperated driver shouted that they made a mistake. This wasn't a mistake in the aggregate, drivers have learned to ignore basic laws as they weren't enforced for over two years over a funding disagreement without a consequence to actions that imperil others. We are incentivizing drivers to continue these actions. We are blind to the harm we all experienced due to cars and driving because, generally speaking, we own cars and are drivers. In 2016, we adopted vision zero and for the past three years we have seen record high death tolls reaching 69 last year. That's up from the mid 30s when we adopted this goal. Of those 69 people, 26 were walking or biking at the time of their death. How this crisis has eluded the additional funding and attention that housing shortages, the fentanyl crisis and gun violence each received

in recent years should speak to how comfortable we all are with people dying in a car crash. The car harms paper and linked video from city nerd that I sent through the clerk's office. As an addendum to this, communication details the many harms that are experienced locally and globally. Much better than I can do in my fleeting time here. There are some really nice visuals. Got one here for you, and I would encourage each of you to look at just those to better understand what I'm speaking to. The harms we experience include land use, resource extraction, pollution, and it's way more than just carbon emissions, sedentary travel and intentional violence. Even our housing crisis is made worse by defaulting to cars. The alpenrose property, representing about 50 acres just a couple miles from where I live, is in the early stages of being converted to single family housing. There will be no destinations beyond a small park and no meaningful connection for residents to access grocery stores, restaurants, jobs or other destinations unless they drive a car. This will decrease safety for people walking and biking, including children that will go to hayhurst elementary and waste an opportunity to build more than just another low density subdivision on what is effectively a blank slate in the midst of a local housing crisis and the climate crisis, we should stop tolerating the consequences of our built environment and incentivize something better by dedicating the space and funding for pedestrian crossings, sidewalks and bike lanes called for in our city's pedestrian and bicycle master plans, and implementing the recommendations in the pricing options for equitable, equitable mobility report, we can provide people with real alternatives to driving, but it won't be free, and we need to stop pretending that we can get there without allocating any resources. Thank you for this opportunity.

Speaker: Thank you. Appreciate it very much. Commissioner Mapps has a comment. Yeah

Speaker: David, I want to thank you. Come to for coming in today and, testifying on behalf of the safety of our, traffic infrastructure. I also very much appreciate, your longtime advocacy on, people's budget advisory committee, I want to tell you, I think I agree with everything that you said today, you know, I think every Portlander should be shocked by the driving behavior that we see on our streets. That's why at this point, pretty much in every council session that we have these days, you will hear me advocate for increased enforcement. I want to also compliment the mayor. He's been a great partner there, we still have some staffing and resource issues that we need to work out, you know, when people are blowing through red lights, there's not a whole lot that I can do on the infrastructure space. But there are a couple of things, I'm committed to bringing more traffic cameras to the city, I think by the end of this calendar year, we should be up to 40 traffic cameras. And, frankly, that, I would go even bigger with that, but it's mostly a supply chain problem at this point. But traffic cameras will help us a little bit. I also want you to know that as long as I sit in this seat and have these responsibilities. Pbot will be committed to, you know, expanding our system of greenways and protected bike lanes. And, we have a great partner in trimet who's also now located downtown. They've done a great job of making their public transportation system safer. And i'll tell you, colleagues, you know, transportation and helping people get to where they want to go is a fundamental function of city government, I couldn't agree more with our friends. And colleague here who says that we need to invest in that. I will remind people that for the most part, pbot is not funded through general fund dollars. Instead, we are funded through, parking meter revenues and gas taxes. Which is why i'll take a moment to remind Portlanders that our local, fixing our streets program, which is our local gas tax, will be on the may ballot, the dollars that come in through that represent about a third of the funds that pbot has to do

basic maintenance for things like safety projects and paving and whatnot, should those dollars not get reapproved, we will face, frankly, massive layoffs in this bureau, so it's a transitional time for our transportation system. It's also, the system has never been more important, which is why advocates like you, david, are so important to the health of our city. So thank you for coming in today.

Speaker: Let me just add, a little bit of an amen chorus to that. And thank you, commissioner Mapps, for reminding us about the, the street, fixing our streets, the fixing our streets, ballot measure coming up in may, just to reiterate, that is not an increase, that is simply a renewal of an existing tax that people are already paying. So it's not new. And it is critically important to the infrastructure development of this city. And all you need to do is drive around and see that, that we need to do more. And we all agree on that. I also just want to acknowledge your your advocacy here. The way I look at it is there's three things we have to do. There's infrastructure improvements that have to happen to improve safety. There are clearly things that we need to do to encourage better behavior. Just having people be aware of the decisions they make. And third is the enforcer. And that really is my responsibility along with the police bureau and others, to enforce those rules and regulations. I'm actually very pleased with the ramp up the return. If you will, of traffic enforcement, the work that you're doing around the body or the work. Where's my head today? The work you're doing around the traffic cameras? I think will make a noticeable difference. It seems like driving improves markedly and people are paying a lot more attention when they know there's a camera out there watching them, but there's another element I want to add today, and we've had several good discussions on this issue of transportation. We have been distracted and the sooner that we get over some of these crises piled upon crises, homelessness, gun violence, the litter and graffiti issue, the livability issues more

broadly. The work that we're doing to restore and grow our local economy, those have been the focus of this council for several years, and they will probably continue to be the focus of this council. So I think it is important for people to come in and to remind us that while we need to address the crisis in front of us today, we also need to think longer terms about what we want our city to be, what we want the built infrastructure to be, and what we want to encourage and what we want to discourage through that built infrastructure. So I frankly appreciate your coming in again. And if you've got the time, I hope we see you more often.

Speaker: Oh yeah. Don't worry about that, if I could respond just really quick, just when you're noting those other crises, there's a lot of them still go back to our built environment and how people get around. And the fact that so many people are in cars that insulate you and detach you from the from everything around you, it makes it easier for, for things that we don't want to proliferate because it's out there. Whereas if you're within the environment, if you're biking, if you're walking, if you're taking transit, which makes you a pedestrian when you're getting to and from the stop or to and from your destination, then that will help because it will create more humane environments that people want to be out in, and it creates that awareness within the community. So when you're talking about things like graffiti and whatnot, you have more, I'm going to say eyes on the ground that that will be there to see what's going on. Because if a car speeding by at 40 miles an hour, no, no one doing that is going to care. But if you're going buying a bike, you know, 15 miles an hour, if you're walking by it 3 or 4, then you know you're more likely to look over and maybe say something or even just looking will have an impact. So I just want to emphasize that the more we can get people on a more human scale, it's going to be better for everything.

Speaker: Yeah, that that makes a lot of common sense to me. And frankly, it's a return to the commons, if you will. And so i, I really appreciate what you're saying, by the way, some of these other issues intersect with the issue you're discussing. There is a huge disproportionality in the number of pedestrian fatalities who are homeless. And in large measure, they're trying to get to or from somewhere, or it might be dark out and for whatever reason, we're just seeing a hugely disproportionate number of people who identify as homeless being the victims of pedestrian fatalities.

Speaker: Thank you so much. I really appreciate the engagement.

Speaker: Glad you were here. Thank you. Thank you. Good to see you, next individual, please.

Speaker: 278 request of wayne gazzola to address council regarding artificial intelligence processes and democracy. They canceled their request.

Speaker: That's too bad. That actually sounds.

Speaker: I know, I was looking forward to that one. Well, the interesting, so maybe maybe they'll come back on a different day, number. 279, please request of heath lee to address council regarding discrimination concerns.

Speaker: They also canceled their request.

Speaker: All right.

Speaker: 280 request of marita ingalsbe to address council regarding development proposal for alpenrose farm, marita is joining online are welcome.

Speaker: Hi. Thank you. And thank you, david stein for mentioning alpenrose. I'm glad to meet you. Somewhat virtually, good morning, mayor and City Council members. Thank you for this opportunity to speak with you today. My name is marita ingalsbe. I live in the hayhurst neighborhood in southwest Portland and I see the slides are up. Thank you. You may be aware that Portland will soon receive a

development application for the former 51 acre alpenrose farm site. Portlanders have embraced farm to table healthy eating. How do we adopt healthy, sustainable living? Farm to neighborhood next slide please. Here's a Portland maps view to help us get oriented. Alpenrose farm is right on the western city boundary line. There is frequent beaverton hillsdale bus service 0.7 miles to the north, along with albertsons and rite aid shopping raleigh hills town center is 0.7 miles to the northwest, with the infamous crash corners intersection. Hayhurst school is 0.6 miles to the east. Vermont creek and pendleton creek wetlands are along the northern and southern property lines. Next slide please. Our hayhurst neighborhood received notice on March 6th of a 269 home plan development to be called raleigh crest. It will include 130 attached townhomes and 139 detached homes to be built in five phases with donation of four acres for a city park in the northeast corner and development of the city's westernmost segment of the red electric regional pedestrian biking trail. Next slide please. We hosted a meeting about the plan on March 11th, attended by 70 people. We received 132 comments at the meeting and also through a follow up form, 44 comments were about transportation and 24 of those were about shattuck road. Next slide please. Why the transportation concerns? While bus lines, school and shopping are within a 15 minute walk, streets are not safe for walking or biking. Southwest illinois street across from the entrance to the development, is a neighborhood greenway and safe route to school the particular concern? Next slide please. The 2019 southwest in motion transportation plan does include shattuck road improvements, but they're not funded. Next slide please. We know how important complete neighborhoods are in achieving the goals of the comprehensive plan. It has been quite some time since Portland has had a major residential development. We support complete neighborhoods that are walkable, bikeable accessible by public

transportation, affordable and climate friendly. We are very excited by the possibility of a new park and completion of this segment of the red electric trail. We have many ideas to share. Next slide please. For now, I want to leave you with this question. How can we use this opportunity? Please come and visit us. Thank you, thank you.

Speaker: Great presentation, I would also just like to note I used to live on Shattuck street until, a couple of. Well, actually, it's been less than two years, and, I want to second everything you said, but I really just want to. Since you're, a leader there in the neighborhood. Thank you and your neighbors for posting Shattuck road in the vicinity of Alpenrose Dairy. It's been a dangerous location, and I've appreciated that the neighbors have taken it upon themselves to really highlight that. So if you could pass that along, I'd appreciate it. And thank you for your thank you.

Speaker: We've taken advantage of the vision zero signs, but they do keep getting blown away or broken. But thank you Pbot for those signs. You bet. Commissioner Mapps council also has a comment.

Speaker: Commissioner, Merida. Thank you so much for coming in and testifying today. I believe you've been in dialog with my staff around some concerns in this project. I want you I want to encourage you to, remain engaged with our staff. And as this project moves forward, I want to reassure you and your neighbors that Pbot will engage in a robust public engagement process to figure out, what the right transportation system or what the transportation system and mobility system in this particular neighborhood needs to look like, I'm excited for that conversation, and I very much appreciate you being here today.

Speaker: Great. Thank you. Our next neighborhood meeting is Monday, May 13th at 7 p.m. If you would like to join us, I'll send you.

Speaker: I'll have my staff note that, and if I can be there, I'll be there.

Speaker: Thank you. Thank you very much.

Speaker: And merida accidentally called you marta. I apologize. Oh. Couldn't quite read the tiny print there, but thank you for coming in, merida.

Speaker: Thank you very much. Thank you very much, City Council, for all your work. Thank you, 281, please request of daniel demello to address council regarding the joint office intergovernmental agreement. Welcome. Thanks for being here.

Speaker: I'm daniel demello. I'm not here on behalf of an organization. Yea. Ryan. Mayor Wheeler. Commissioners. I'm before you today as the chair of the joint office of homeless services community budget advisory committee, urging you to reconsider crucial aspects of the proposed intergovernmental agreement and the homelessness response action plan. To begin with, extending the iga through June 2027 will strip the newly elected and more representative City Council of its right to address our homelessness crisis. If necessary, extend the iga only through the upcoming fiscal year. More urgently, the proposed abolition of the committee I chair the sole voice of the community on the \$400 million jobs budget is a betrayal of the public trust. Our committee of volunteers is required by county code to advise on policy and participate in planning, was blindsided and belittled by this announcement, which occurred only after jobs refused to meet with our committee for more than six months. This is gripper legislation, a calculated move to silence a critical public body and replace it with special interests. Finally, the plan fails to establish metrics to commit to reducing the number of unsheltered people on our streets. Judges admitted to us that for every shelter bed added by this plan, another person will newly become unsheltered. With the recent influx of migrants and asylum seekers, more than a thousand in this year alone, the plan will inevitably lead to an increase in unsheltered homelessness commissioners, a commitment to

this plan, as is, is a commitment to spending more than \$1 billion on increasing unsheltered homelessness. Commissioners failing to alter this plan will only perpetuate a cycle of despair, destruction and disillusionment. We must we will bear witness to more deaths, more negative impacts on businesses and neighborhoods, and more compassion fatigued Portlanders unwilling to allocate public funds to this crisis. If the joint office partnership is to continue, it must have a shorter term. It must sustain a community input on the budget and it must commit to a measurable, achievable target for reducing our unsheltered homeless population. The time for action is now. Thank you. Thank you, commissioner Mapps.

Speaker: Does anyone else want to go?

Speaker: Mr. Mayor, are you going to say anything on this one?

Speaker: Just a couple of things, number one, first of all, thanks for being here. And thank you for your service. And I'm not sure what happened with the volunteer committee in these negotiations, but I will seek to find out that's of interest to me. And I appreciate you raising it, with regard to the terms of the contract, we've gone around and around on this and finally, where the negotiate have landed is making sure that either party can get out quickly and seamlessly without upsetting the apple cart in other words, the system itself. And so we did what people are encouraging people who are getting married to do today, which is contemplate the end game while you're still happy. And so we're actually going through, if you will, all the stipulations for our divorce, who will do what, who will pay for what, who will maintain what, how will things operate going forward? And that's where a lot of the negotiation is have been of late. And I believe we've we've reached some level of, agreement on that with regard to metrics. I think one advantage of these negotiations and again, I'm remembering what you just told us about your

committee, was not as involved or consulted as it should have been. And I'll take that as an article of faith that that is true, but I can tell you the metrics piece is very important to me. Not only the metrics, the collection of metrics, but also the sharing of said metrics with the public and making sure we all understand the hydraulics of what is happening in our homeless services system. And for me, I would argue that the most important metric for me going forward is the reduction in unsanctioned unsheltered homelessness on our streets. And that sometimes elicits boos. But the reason I believe that is because, you know, last year, over 300 people died on our streets. And that is concerning to me. And there are people who need to be connected to services and support and help in order to survive. And I think that can best happen. My personal opinion in a sanctioned, managed, accountable environment. And so, I really appreciate your being here and what you're saying. And I'll look into some of the items I'm less familiar with. But thank you for raising commissioner Mapps, thank you. And I want to, Daniel, I want to thank you for being here, and I really appreciate your input, frankly, I agree with much of what you said, colleagues, I have a lot of concerns about extending this contract all the way to 2027, you know, our city government is about to undergo a big transition, we'll have new leadership in the building. I think those folks need to have some say in how this works. I'll be transparent. And I'm embarrassed by this. I was not aware of what's happened with, the disempowering of our citizens committee here. That's deeply concerning, especially if this is truly a joint project, you know, colleagues, I know we are deeply committed to community engagement, and that sounds to be inconsistent with our values. And an absolute, essential for this agreement, at least for me, is that we have a plan in place that reduces the absolute number of people who sleep on our streets and colleagues. I find it kind of disturbing and distressing that the citizens share of the oversight committee of the

joint office is coming to us today and saying, you know, the plans on the table won't do that. All of which is to say, you know, I know there are lots of negotiations that are happening between the city and the county to figure out how to move forward. I will tell you, as of today, I am not seeing enough, to justify renewing this. You know, I know the city and the county have to work together to solve homelessness. I remain deeply skeptical that this particular instrument, the joint office, which has been around for a long time and frankly, has failed to yield adequate results, is the tool we need in order to get people off the streets. So thank you very much. But I also very much want to engage in a constructive dialog with, people leading up negotiations, folks who are, overseeing this on the citizens side and, all of my colleagues on council who I know all have a perspective on this important issue. Yeah. Thank you. Mr. Thanks, commissioner.

Speaker: Of course, there will, of course, be other other hearings and opportunities on the iga, commissioner Ryan.

Speaker: Yeah, thank you, mayor daniel, thanks for being here. Your voice is, was really needed and wanted and appreciated, that was fascinating. I was wondering what you were going to say, you know, the contract I think it's important to remember was built between the city and the county before we had the shs money. So at one time, we were the largest donor, if you will, to the joint office. So that alone is a big difference, when it was founded with, mayor hales and, I think it was kafoury. I'm not sure it was it okay, so now when I look at our budget and how much money we spend on homeless response, it totals at least 40 million. And so we have just some basic arithmetic to focus on here, it's ridiculous, that we have internal invoicing to our bureaus on what we're spending on homeless response. And so I think we're in a very creative time in terms of how we look at this. What really matters is the function and form and the results. So as long as we're clear

about real clarity on both sides and what we do to get better results, which you mentioned, of course, is less people who are suffering on our streets, then we're on the right path. So I do think we're at an exciting time of creativity. But it was really helpful to hear your refreshing voice this morning. Thank you.

Speaker: Thanks. Appreciate it. Oh, I'm sorry, commissioner Gonzalez then. Commissioner Rubio, I didn't see that. Thank you.

Speaker: Yeah, danny, I appreciate your comments to build off of commissioner Ryan's point. You know, I think there's real questions for this council whether we continue to, to, contribute financially without some sort of set off. Right, as a city to the joint office and, I'm in dialog with some of my colleagues about whether we push on that point, in these negotiations, it commissioner Ryan is identified quite well. The history here and, frankly, we're we're there's a real question of whether the city dollars are needed in joint office and homelessness at this point in time, particularly given our direct spend. That's not an abandonment of the need for coordination and cooperation, it's just the financial model may no longer make sense, I share with commissioner Mapps steve concerns about the three year terme, I think it frankly, if I were king for a day at this point in time, we'd wait until next year before we enter into a lengthy extension, I continue to be very concerned about the mechanism in which the joint office and homelessness is distributing tents and tarps on the city streets, I think there's potential for common ground there, actually, I think there's potential to, find under what conditions we're comfortable with that and under what conditions were not. So i, I'm reasonably hopeful that we can find some common ground there, I do think there has been progress made on metrics. I was reasonably impressed. And last update, we all received on that, you know, at the same time, we're watching clackamas county and, and, well, Washington county show real progress on encampments, it's a very

different context. We deal with acuity in Multnomah County that I don't think anywhere else in the state. Do we see the number of sick people on our streets, frankly, so it's not an apples to apples comparison, but, you know, we're we'd all like to see better outcomes. So, i, I share, with commissioner Mapps a very deep concerns about the overall structure of this relationship, and, and most fundamentally, I really want us to tackle the financial components, distribution of tents and tarps. There's still a little uncertainty as to drug kits and to what extent they're being distributed by joint office or the Multnomah County health department, but, bottom line is there is some distribution by Multnomah County of some things we really don't want on the streets of Portland. And, finding the guardrails going forward for constructive relationship. There's still quite a bit of work to be done there from my vantage point.

Speaker: Thank you.

Speaker: Thank you, commissioner Gonzalez. Commissioner Rubio, I just want to thank you for coming and sharing your perspective.

Speaker: And I do, believe, you know, we are, as commissioner Ryan said, we are we have this interdependence with with the county based on agreements from a long time ago. And I appreciate the mayor's leadership and making sure that we have some essential, language in there that is different, but I do appreciate, you bringing and adding dimension to that conversation, because above all, we need more transparency and accountability and whatever new engagement we move forward in. I'm really curious about the oversight group, the committee or commission that you were a part of, I too have questions about why it disbanded. And, but just for my understanding or all of our understanding, what would it ideally look like? Would it should it come back? What what should that function look like in your opinion and your experience.

Speaker: Yeah. So presently the committee, is made up of community members who have to disclose any, financial sort of relationships with the joint office. And we are set to continue as a committee through the upcoming year. We were appointed to three year terms, but the homelessness response action plan replaces the committee with a new committee that doesn't have to disclose those sort of financial relationships and also is proposed to be staffed by people from providers and so on, which I think is great, and it's a very needed voice at that table. But on the other hand, I think it's really important to have a body that is made up solely of outside community members and to provide that input and to advise on the budget specifically and the experience that I've had working with the county through these community budget advisory committees, I think, really demonstrates that there needs to be more of this community input on the budget, specifically, if we move towards this homelessness response action plans, set up for responding to the joint office's budget, there won't be a community input on the joint office's budget that has the charge as a public body in particular, rather than as just sort of testimony. Right. We have a we have an investigative, we have a advisory and a, a relationship with the joint office where we, we are supposed to be actively providing input on the policies and plans that come sort of down the line, but instead we've only been able to sort of look at the budget and try to provide input. I would refer you to the report that we provided to the board of county commissioners last year. I also want to note that, it sounded like I had a meeting with the Portland housing bureau advisory committee, the budget advisory committee, maybe a year ago, and they used to provide input on the joint office. So i, I guess I would also like to add that if you do continue with this homelessness response action plan, and there is going to be a community body providing input on the joint office's budget, you should ask

for some of those seats to be appointed by the city, in addition to seats appointed by the county.

Speaker: Thank you. Good good advice.

Speaker: But overall, please commit to some metric, some way to measure a reduction in the number of people who are unsheltered on the streets. I think that is the big headline here. If you don't commit to that, then we really have no plan to reduce homelessness.

Speaker: Thank you. Thank you. Appreciate your time, have any items been pulled from the consent agenda? No. Please call the roll.

Speaker: Ryan, I Gonzalez, I Mapps I yea. Rubio Wheeler.

Speaker: All right. The consent agenda is adopted to the first time certain item, please. Two eight. Two proclaim April 2024 to be parkinson's awareness month. Good morning everybody. The next item proclaims April 2024 to be parkinson's awareness month. To present on this item, we have kevin mansfield, a public policy advisor from the michael j. Fox foundation, and megan tay. I hope I'm pronouncing that correctly. Ty megan ty, a public policy advocate from the michael j. Fox foundation. Welcome to both of you.

Speaker: Good morning, mayor and City Council, we want to thank you very much for, proclaiming April as parkinson's awareness month for the city of Portland. My name is kevin mansfield. I live in Portland, Oregon. I was diagnosed with parkinson's in 2001, and I've been a facilitator with parkinson's resources of Oregon for the last 22 years, and I've also been a public policy ambassador with michael j. Fox foundation for the last 11 years. Give you a little bit of story of about me and, and some of the things that we are doing when I was diagnosed, my neurologist told me that I had parkinson's come back and see me in six months. So not knowing anything about it, I went home, did the wrong thing and looked it up on

the computer, and all that did was with the first 5 or 6 categories. It made me more upset and more depressed because it just talked about the advanced, advanced stages of parkinson's. I finally found parkinson's resources of Oregon. They were very kind to talk to me for about an hour or two, call me down, and everything explained to me that it's usually a slow progression disease, and they asked me if I wanted to join a support group. At that time, the state of Oregon only had about 12 to 14 support groups, and they had a waiting list. So they called me back about two months later and told me that they had an opening if I was still interested. And I said, of course. So we met down at a, a conference room at the good sam hospital area, and there was 45 of us in that room for two months, and it was packed wall to wall. So we separated, split our meetings up, and shortly after that they asked me to be a facilitator and told me my responsibilities or what they expected and that I had to commit at least one year. 22 years later, I'm still doing it, and love what I do. In that time, between 2000 and 1 and now we have between 55 and 60 support groups. We figured that there is approximately 20 to 25,000 people in the state of Oregon living with parkinson's disease, and it's growing last nine months. I have an average of 1 to 3 people. Families call me and tell me that they were newly diagnosed and want to know about joining a support group. Parkinson's used to be, only heard of in people in their 60s, 70s and 80s that is no longer the case. Before the pandemic, we were able. I went to Washington dc for about for a day conference. We went up on capitol hill one day, up on capitol hill, I met two women. There was 32 years old having their first child was diagnosed with parkinson's. I met a gentleman that was 22 years old that was diagnosed with parkinson's. I went to a, a health fair. I tried to go to as many as I can, and I met an older gentleman there. We were talking about parkinson's, and he started tearing up, and I asked him if it was something that I said or did to upset him. He said no, that it was a rare case

that his eight year old grandson was diagnosed with parkinson's. Last week I went to a City Council meeting, I believe it was in happy valley, and I was talking to them about parkinson's, telling them about these stories. I had a council member come up to me and told me that he knew of a family. Their seven year old son was diagnosed with parkinson's, and a 12 year old daughter was diagnosed with parkinson's. So it doesn't matter who you are, what age you are, it's possible anybody can get it, what I do on with the michael j. Fox foundation is I work with all levels of government on the federal side of the government. We've been working, on a bills one third for the national plan to end parkinson's act. We got the house of representatives to pass the bill in, December 14th of, 407 to 9. Now we're working on the senate to get them to pass the bill. And then on the state side, I gave you guys all the packet of some of the things that I plan on talking to our state rep, our state members of congress on page two is what I'm focusing on mostly right now. And it has to do with having a state registry for the state of Oregon. I started this with our representatives in 23. We got a bill made on both the house and the senate side. Unfortunately, it didn't pass along with about 1500 other bills, I tried again this year and I found out that they had a very short session of only 35 days, and they had already picked their two, bills that they wanted to present. But things. The session is over. I've been working hard with our representatives and senators. I have three represented lives that are behind this 100% willing to work with me. I have a senator that's behind me and, to my amazement, I have of all the, City Council meetings, I've gone to, I have three different City Councils that said, if needed, they would be willing to write a letter to support this. So I'm happy with the progress that we're making with that. So far this year, again, I want to thank mayor ted Wheeler and City Council for listening to what I have to say about this and for proclaiming April as parkinson's awareness month. If you are interested in going to

a support group, the closest one that I found was, providence hospital has one. If for some reason you don't, you guys are busy during the week and you're open on the second Tuesday of the month, if you email me, I have a hybrid meeting that meets, well, right now we usually meet in gresham, but right now we're meeting in the wood village City Council chambers because after the last ice storm, they got flooded, had a bunch of broken pipes and stuff, and they're going to be done till, summertime. So wood village City Council has allowed us to meet in their meet their. But you're welcome to join us there. Thank you.

Speaker: Thanks, kevin. Appreciate it. Hi, megan. Hi.

Speaker: Thank you for your time. I'm also here on behalf of the michael j. Fox foundation, and as a member of the brian grant foundation program advisory council and as someone living with young onset parkinson's disease, parkinson's is the fastest growing neurological disease in the world. There is no treatment to slow, stop or reverse disease progression, nor is there a cure or a way to prevent parkinson's. Researchers currently believe parkinson's is caused by a combination of environmental factors and genetic factors, although I can tell you that a lot of patients, including me, do not have a family history of parkinson's like me. 4 to 10% of parkinson's patients are diagnosed younger than the typical 65 and older demographic. We're in our 20s, 30s and 40s. While our symptoms are the same as those of older parkinson's patients, young onset patients have a very unique journey with this disease. Far from retirement, I'm in the middle of my career. I'm also raising children and starting to care for aging parents because of the progressive nature of this disease, I know that my symptoms will continue to worsen. However, there is no crystal ball to predict when my symptoms will take a turn for the worse, so I have no way to know how much longer i'll be able to work, care for my family, or even be independently mobile. My husband and I have to

make very tough decisions about whether to save and invest every penny to prepare for my potential early retirement, or splurge on vacations to make memories with our kids while I'm still mobile. The disease is really difficult for me, but it's also difficult for my family and my community. On the day I was diagnosed, my husband became a parkinson's caregiver for the rest of my life, and he'll do that while he's also continuing his career, raising our children and caring for his aging parent. It's he also has to bear the emotional and financial burden of this disease. As I progress. My children's lives are forever changed beyond what I can express to you without getting really emotional. Here but I'm sure you can imagine that a trauma that a child would suffer watching their mom change from a very active, engaging parent to eventually a shell of her former self. We desperately need more funding to keep critical research projects moving forward. Forward as quickly as possible, more than 1 million people in the united states have parkinson's, and at least 90,000 are diagnosed every year. That's just in the united states. Those numbers are growing at an alarming rate. That requires our urgent attention. It can be really easy to ignore a disease like this when it doesn't affect you or your family or your friends. But unfortunately, the rate at which this disease is growing in the next 5 to 10 years, everyone will likely know somebody with parkinson's. For information on how you can help find a cure, I encourage you to visit the michael j. Fox foundation at [michael j. Fox.org](http://michael.j.Fox.org). There you can learn more about parkinson's ways you can help, whether it's organizing a fundraiser or learning how to contact your lawmaker with regard to the litigation that kevin mentioned earlier at a local level, I would encourage you to also support the brian grant fund foundation. You may recall brian grant was a beloved basketball player here in Portland with the blazers, and he was also diagnosed, like me, with young onset parkinson's disease. Tomorrow, Thursday, April 11th, is national parkinson's awareness day, the blazers

are doing a 5050 raffle at that game that will, that will go ticket sales will go to the 50, will go to the brian grant foundation, just for a little levity, because I know the subject is very heavy. But, if you're planning on going to the game, anyone watching, come find me. I'll be selling tickets with my nine year old son there so that the brian grant foundation can continue supporting our community with amazing programs that are doing, that are giving families like mine a lot of hope. Thank you so much.

Speaker: Thank you both. We appreciate it. I know my colleagues have potentially questions and comments. I'll start with commissioner Mapps, thank you, mr. Mayor. Colleagues, let me start out by thanking the mayor for bringing this item forward. And, kevin and megan, I want to thank you for today's presentation and for sharing your stories and your courage, I know I speak for everyone on this side of the table and everyone in the audience and listening at home that were touched and educated today, also, I have a request, kevin, you mentioned the legislative agenda that you're working on. I'd really encourage you to, send a letter to this council outlining your legislative agenda. Frankly, I think we will. Sunset as a council before we develop, council develops a legislative agenda. But if we, if we can begin to build some institutional knowledge the next time council develops a legislative agenda, which I suspect will be, in the early in the new year, but I'm not sure about that. Perhaps we can figure out ways to support you and colleagues. I also want to say this. I am proud to join you, in proclaiming April 2024 to be parkinson's awareness month here in Portland, Oregon. Today, we have learned that parkinson's is a chronic, progressive neurological disorder that causes shaking, stiffness and difficulty with balance and coordination. Symptoms tend to begin gradually and worsen over time. The community of folks who have suffered with parkinson's disease include familiar names like muhammad ali, alan alda, ozzy

osborne, neil diamond, the reverend jesse jackson and, of course, michael j. Fox. In fact, more than 1 million people in these united states are coping with parkinson's. And here in Oregon, more than 20,000 people live with the disease. And that number, as we've heard today, is expected to double in the next 20 years, while we do not have a cure for parkinson's yet, there is help and there is hope. That's why if you or a loved one exhibit symptoms associated with parkinson's disease, I encourage you to, to consult your doctor and connect with the parkinson's support group, with that, I want to thank you again for being with us today and in sharing your important message, mr. Mayor, I will turn the floor back to you now.

Speaker: Thank you very much. Commissioner. Commissioner Rubio, thank you, first, thank you, thank you, mayor, for bringing this forward. And I want to thank you, kevin and megan, also for your courage as commissioner Mapps said, but also for being really vulnerable about your own personal journeys, it was important for us to hear, someone, very important in my life, was recently diagnosed with parkinson's, so i, too, am learning about this disease. And I'm also very grateful for the fox foundation for this research, because as the proclamation states, it values hope and optimism. Optimism and urgency for the research, and it takes on a whole new meaning when you when you are in proximity to a loved one, you know, as you know, personally, I also want to reflect on your comments about the vast network that makes up the parkinson's community. It really is a global community, and that includes also family members and caregivers as well. And so, it's a really important way that provides families to get involved and not feel alone in their journeys. So again, just wanted to echo, my, my colleague and saying it's really important for us to create this awareness. And I also commit to continuing my own learning journey about this disease and commit to advocating in my role to echo that optimism and that urgency. So thank you for being here.

Speaker: Thanks, commissioner Rubio. Commissioner Ryan.

Speaker: Yes, thank you, mayor. Thanks for bringing this to our attention. And I recall you from previous, parkinson's months. And yet your story every time I hear it is refreshing. And thank you for your courage. I have a couple questions real quick, with this disease, do you see any improvements in detection in terms of reaching communities that don't have as much access to health care? Like at least you both had appointments and you showed up, but it just seems like it's ripe with a lot of, misdiagnosis or not, they're just not being, detected.

Speaker: I mean, absolutely, if it were, is that some of the work of your foundation? It is. I mean, part of that this the registry will help us with the registry that we're trying to get to figure out where people are, where they're located, for a number of reasons, but it will also help us figure out how to get people help. Because you're right. If you live in Portland, you have ohsu, which is a center of excellence for parkinson's care, if you lived in rural Oregon, not so much. So you maybe have access to a neurologist. Excuse me, but not a specialist. Movement disorders specialist, which is a neurologist, but it's a subspecialty and they're not in every town. So yes, with regard to detection or diagnosis, first of all, and then health, it's definitely important to reach out to those rural communities as well. We, I mean you have a lot of yeah.

Speaker: Ohsu can seem like a long distance for people that even live here. Absolutely.

Speaker: Right. Right. But we do have a lot of thankfully covid showed us that we can do virtual meetings. So we do have virtual meetings that that are reaching a lot of those folks with regard to, support. And from that they get suggestions of places to go and places to be seen, which is which is great, but we could do better. Yeah, sure.

Speaker: And Kevin, your story always makes me think about, archaic, dark age bedside manner, perhaps. On the way that the doctor dealt with you 22 years ago would you say that's come around, there are trying to get better with diagnosis and everything, there are, there are some that that to me, I wish that doctors would explain it more to people. I mean, I have people that come to me and stuff and I ask them, did your doctor talk to you about it? And they still tell me? No, the only thing they tell me is I have Parkinson's, you know, come back in six months, come back in six months and see me. So I think that doctors and stuff need to tell people more about it or have information that they can read, I think once in a while some of them might hand out a brochure. That's how they get ahold of me. I was just at my doctor and they said, I have Parkinson's. Tell me about the group and stuff. But as far as your other question stuff, yeah, we have people that can bend and prineville. I mean, all over in the rural areas that have to drive three hours or more just to get to one of our, OHSU or, you know, wherever they have to go here and they have that that's a long day for them and have a hard time. So that's why a lot of a lot of them, are grateful that we still have the telehealth, I not sure if, if they, they had plans on disconnecting that or not. Eventually but we're trying to work to make sure that that, that stays on just for that very reason.

Speaker: I just want to thank both of you again. You you had, you know, devastating life changing news. And you both, pivoted and did something with it. So thank you for your service and your leadership. I had other things to say. My colleagues covered it. But I do think that, we would be open to doing all we can to be supportive with the latter. And thanks again for being here.

Speaker: Thank you. Thank you. Commissioner.

Speaker: Commissioner Gonzales, thank you, Mayor Wheeler, for bringing this proclamation forward. Thank you. Kevin and Megan and the rest of the team and

michael j. Fox foundation yea. Ryan. For the work you do each and every day, your willingness to take on your own personal pain, your own challenges, and channel it in a way to lead your community is inspirational and truly Portland at its best. It's truly our community at its best. With the 90,000 individuals diagnosed in the united states annually, we can expect around 170 Portlanders, give or take, to be braced for this impact of diagnosis. Each year. However due to the work of your foundation and all of those working on this cause, there's no reason to lose hope, you're part of a broader community. There is a support network there for you to working tirelessly to fund research on discovering the cure, improving therapies, providing support, connect with treatment is inclusive and future facing and full of hope. Again, I want to thank mayor Wheeler for bringing this forward and michael j. Fox foundation for their leadership in this area. Thank you.

Speaker: Thanks, commissioner colleagues, this morning we have had an opportunity to reflect on parkinson's awareness month. As we've heard, this disease has had a profound impact on many of our fellow Portlanders. Indeed, people from all around this country as well as their families, their caregivers, and others the statistics we've heard are sobering with over 1 million individuals living with parkinson's in the united states, 1 million individuals that are grappling with the physical as well as the psychological tolls of parkinson's. As we also have an opportunity to reflect on the powerful and positive work of the michael j. Fox foundation, thanks to their incredible and diligent work, society has a deeper understanding of parkinson's disease as well as its symptoms and its effects, and possible treatments. They've illuminated the reality faced by those living with parkinson's and have lobbied for greater visibility and resources towards research at every level of government, something we should all be very supportive of. I hope this month serves as a beacon of hope, not only because the city of Portland has

unwavering support for every individual who is experiencing parkinson's disease, but we all believe in a community that lifts each other up with hope, dignity and relentless compassion. So with that, colleagues now on behalf of the Portland City Council and by extension, the city, i'll read the proclamation. Whereas parkinson's disease is a chronic, progressive neurological disease and is the second most common neurodegenerative disease in the united states. And whereas, the michael j. Fox foundation for parkinson's research is dedicated to finding a cure for parkinson's disease through an aggressively funded research agenda and to ensuring the development of improved therapies for those living with parkinson's. Today and whereas an estimated more than 1 million people in the united states are currently living with parkinson's disease, with an additional 90,000 individuals diagnosed used each and every year. And whereas it's estimated that parkinson's disease has a national economic burden of approximately approximately \$52 billion per year, with that cost estimated to rise to over \$80 billion per year by 2037. And whereas there is no known cure for parkinson's disease and available treatments are limited in their ability to address patients medical needs and remain effective over time. Whereas the city of Portland recognizes the important efforts of the michael j. Fox foundation for parkinson's research as it leverages its core values of optimism, urgency, resourcefulness, collaboration, accountability, and persistence in problem solving to work on behalf of the more than 6 million people worldwide living with parkinson's. And whereas increased research, education and community support services are desperately needed to find more effective treatments and to provide access to quality care for those living with the disease today. Now therefore, i. Ted Wheeler, mayor of the city of Portland, Oregon, the city of roses, do hereby proclaim April 2024 to be parkinson's awareness month in Portland and encourage all Portlanders to join in the observance of this month. Thank you both

for being here today. We really appreciate it. Thanks for your hard work. Thank you.
Next up, item 283 a report.

Speaker: Except 2023 state of small business report.

Speaker: I am pleased to co introduce this report with commissioner Rubio and hear an update on the state of small business in Portland in 2023. As we all know, Portland is a city of small businesses. It's critically important that we do all that we can to support them, particularly after four years of economic disruption and social challenges facing our community. Before we hear from our partners, consultants and staff, I'd like to turn this over to commissioner Rubio for any opening comments she might have.

Speaker: Thank you mayor. I'm very excited to co introduce this report with mayor Wheeler that will provide an update of the state of small business in Portland. But first, I want to thank the folks at comcast not only for funding this study, but also for providing essential grants to local businesses such as abby creek winery and Portland chinese times as a part of its comcast rise initiative. So thank you for reinvesting back into community. I also want to acknowledge that this report includes issues related to permitting, which is a clear priority for this council, and I want to acknowledge the significant work that the staff of bureau of development services and other permitting bureaus and the office of management and finance have done thus far to not only improve timelines, but also work towards that single permitting authority. Last year, this council adopted advance Portland, the city's economic growth strategy, for the next five years. Objective two in that strategy calls for equitable wealth building and to relook at how we organize robust supports and reduce the barriers for Portland's small businesses. As a part of that work, I'm pleased to share that I've instructed prosper Portland to move forward with the formation of the office of small business through the 2425 fiscal year, and

I've been pleased to see that advance Portland implementation committee has already been weighing in on how that office could develop. So I will now turn it over to Andrew Hone from the Portland Metro Chamber, who is joined by Mike Wilkerson. Wilkerson from Echo Northwest, Marion Haynes from Comcast, Fabiola Cardenas from Sparkly Gowns, and Shea Flaherty from Prosper Portland. Welcome, everyone.

Speaker: Thank you Mayor.

Speaker: Thank you, Commissioner, and thank you, Commissioners. And also to the incredible partnership with the Prosper team in the entire city of Portland.

We're here to present on an agenda item that is critically important, about a report that also included a major public private partnership between the city and between the private sector to deliver critical resources to businesses that need them, and also to support the work of Advance Portland, which has been an incredible beacon of sending a message not only to our own community, but beyond our borders that Portland is open for business. I'm very pleased to be joined with me today by Marion Haynes, who's the vice president of external affairs for the Pacific Northwest region, for Comcast. And I would like to make a note that it was a national grant that was brought here to Portland to make this all possible. And that is not easy work. When you represent a local community. So, Marion, to you and to Comcast, thank you. And with that, Marion Haynes, good morning, Mayor Wheeler.

Speaker: Commissioners, thank you for having me here. I'll just speak briefly, and thank you, Commissioner Rubio, for helping launch the application process last year, we started this program during the pandemic to really help businesses survive through that, through that time period last year, the program was made more robust, recognizing that small businesses still needed support, not just to survive, but to thrive, and so the program includes a included a \$5,000 monetary grant, a

technology makeover that includes computer equipment, internet voice, cybersecurity services for 12 months, creative production and media, I know I've seen fabiola and sparkly gowns, commercials on on tv, so that's very fun. So, it's been a great program. We really did it with the support of community members. The Portland metro chamber, prosper Portland was critical in that we partnered with hacienda, cdc and apollo to make sure that we were getting the word out to small businesses. So there were 100 awards in total last year, in Multnomah County, the vast majority of which were actually in Portland. And as andrew said, this is a this is a national program. Portland was one of five communities that was chosen last year. And in part, that's because, you know, we understand the importance of small businesses, particularly here in Portland. There's a very strong small business ecosystem. And that's knowing that and what we can do to help continue to support that community is what led us to talking with the chamber about putting this report together, to really understand, what was going on in that small business ecosystem here and what could be done further to help support them. So, really pleased to be able to be here. Thank you.

Speaker: Thank you. Marianne, and we'll set up with a presentation that we will walk you through that includes information about the chamber's work. Comcast rise, then deliver right into doctor wilkerson's report so that you get the details of that. And then follow that up with shay and prosper Portland as well. So I'm going to call on a friend to help us navigate through this slide deck and just call you to move to the next slide. So and have fabulous. That'd be great. Thank you. So a little bit about the chamber, just so you understand who we are and why we care so much about small businesses. They represent 80% of our membership. And we define small businesses slightly different than what you'll hear about in our report. Ours be defined as ten or less employees. And as you can see, we have over 323 of

that, 80% are owned by individuals of color, and over 420 are owned by women. Next slide. Of late, we've been very engaged in making sure small businesses get resources in partnership with government and in partnership with the private sector. You just heard the results of Comcast Rise, which was a public private partnership that delivered funding to over 100 businesses across the county, \$4 million in direct cash infusion and 60% of those businesses were owned by individuals of color. Prior to that, we engaged with the county in the East County Cares Act initiative. This is right after the governor closed down our economy once again because of the Delta variant for coronavirus, and we were instrumental in getting resources to the four municipalities in East County. Over 400 businesses received those grants, and half of those were owned by individuals of color. Next slide. Since over a decade, the chamber has been putting chamber member dues in partnership with Bank of America to support individual cohorts. Between 10 and 30 businesses per year that are small to learn about the management skills to grow their existing businesses. Over that period of time, we've invested almost \$200,000 of just private sector resources in this program. The net results annually, if you combine them, is over \$31 million in economic activity. That includes access to capital, that includes the jobs that are created and the increase in sales once the individual businesses graduate from this program. I want to call this out because it is critically important to the work of Advance Portland every dollar that you invest in small business development and support real yields, massive return on investment. We also host every single week small business advice for any member of our community that wants to come and learn about how to grow their businesses here in our city. You also know we're connected to downtown Portland, clean and safe as a fellow affiliate of the Portland Business Alliance. Next slide please. And thanks to partnerships like those that exist in Directors Park. Thank you, Commissioner Ryan.

We are able to host businesses that are getting their feet under them and learning how to be retailers in the kiosk in directors park, we substantiate pop up shops in the holiday season for people that want to learn how to be retailers with a presence in our downtown core, we pay for their leases, we pay for their renovations, and then we also provide retail grants annually to attract businesses in our downtown core to directly reward businesses that are willing to open up here. We care, and we love small businesses in our community and if there is a call to action specifically that you hear today, that it is time to take action, other big cities that we compete against have offices of small business services. They have clear small business support structures in their communities. It is time that Portland step up and start competing in the same fashion. With that, I am so pleased to introduce doctor mike wilkerson and echo northwest, who has been able to really help us to understand what a huge impact small businesses have in our community. We are not a place of major corporations headquartered here in our city. It is the lifeblood of our economy. And so with that, mike, it's all yours.

Speaker: Thank you, mayor Wheeler, commissioners, thanks for your time this morning again. For the record, my name is mike wilkerson. I'm the director of analytics at echo northwest next slide please. I think as mayor mentioned, we know Portland to be a place of small business. We also know small business generally is the bedrock of the economy, and it allows for vibrancy and growth in the economy. I think what we didn't know was the extent to which that is true in Portland relative to other places. So this was a unique opportunity to do deep quantitative analysis and pair that importantly, with qualitative analysis, reaching out to small businesses in a range of industries and talking to them about their experience and really trying to document what that experience is of starting a small business in the city to really understand what those opportunities and challenges are. Next slide, please. So I

think starting with what is a small business, right. The federal government uses definitions of 500 or 250 employees. And we know that that's just not relevant generally, and certainly not in a place like Portland. So I think we started with just understanding what is the distribution of business sizes. Next slide please. And I think what we found was somewhere between 30 and 50 employees. Makes sense as a definition of small business. We use the broader definition in this study of 50 employees. But really when you look at establishments, we're talking largely about micro establishments that are 1 to 5 employees and 94% of all businesses in the county have five or fewer employees. So really we're talking 50, but really we're talking about largely these micro entrepreneurs. Next slide please. I think the second point is really the concentration of small businesses everywhere. This isn't just in neighborhoods and corridors or excluding our central city. And we look at the map everywhere in the county has at least 50% of the businesses are small businesses, and in some places 95% of those establishments are small business. So this again, is broadly across industry and broadly across the location of our city. Next slide please. Workforce again is the number of workers we talked about establishments. So when we look at the number of workers again most of the workers in these categories are in 20 to 50 again because of just math. Right but when we talk about in cumulatively, 64% of all small business employees have 20 or fewer. So really when we're talking small, we get a good sense of what that distribution looks like. Next slide please. In terms of how does that stack up across our metro region? Multnomah County kind of sits in the middle. 35% of all jobs in the county are small. Clackamas has slightly more at 40. Washington county has slightly fewer. But by industry, there is quite a bit of variation in leisure and hospitality. More than half of the jobs in our county are in small business, and we see pretty consistent distributions across the counties. Next slide please. So I think

that helps confirm I think what we know, which is small businesses in fact by the number of establishments and the share of employees, a very important part of our economy, I think what this study allowed a unique opportunity to do is understand how do we stack up relative to the nation, some of our peer cities that we often use in comparison. So next slide, please, this data unfortunately is only available at the metro level. But I think we looked at the data locally and we see again Multnomah County being kind of at that at that representative average. So again, I think we can we can assume that this is roughly applicable here in the city, what we found was of all of our peer regions at the time, we were using austin, Seattle, nashville, salt lake city and indianapolis and well above the us average, that we are, in fact, a high concentration of jobs in our small business, which confirmed, I think what we all, what we all know. Next slide please. I think also encouraging was the share of women owned businesses is higher here than it is in the us and second highest amongst our peers, only trailing Seattle. Next slide. In terms of, bipoc owned businesses, this is challenging, right? Because what we see is a small share of businesses. Roughly 16% of businesses are bipoc owned here, and that is lower than the us average. I think the challenge is also that our share of our population skews to be, less bipoc than in other places. And so really, to kind of get an equal understanding, it's the disparity between the share of the population and the share of the businesses that allows us to actually understand on a more apples to apples to basis how we do how we fare in that sense. And when we see that our disparity is 16, so that is we have 16% fewer businesses than our share of the population. And that actually stacks up better than the us average and better than all of our peers. And so, yes, we are at the low end of the distribution, but that's largely because our population of bipoc residents is much less than many of many of our peer regions. Next slide please. I think the encouraging note here is small

businesses have really been resilient and led our recovery in the county today, we still have fewer jobs than we did pre-pandemic, and that certainly is not a good thing, what we wanted to understand was how our small businesses are faring and what we found was generally in this data is a little bit lag. They're faring better than large businesses. So next slide please, this data again is only through mid middle 2022. I think soon we'll have year end 2022. But what we can see is, you know, the large businesses is really where we're seeing the concentration in employment loss. Our our small businesses have really recovered much more so than the large businesses. Next slide please. A further deep dive is really showing that it's really the micro businesses that have been the most resilient. So the smallest of our small businesses are doing best followed by the 6 to 10. So again this theme of who's resilient and who's growing is really I think, demonstrating the importance of small and micro businesses in terms of our economic recovery. Next slide please. I think the other point, though, is that it is challenging to operate a business. And so when we look at micro businesses today, 60% of those are new since 2016, which is to say we see a lot of openings. We also see a lot of closures. And I think the challenge on the resources that are required to open a business are really important.

Understanding here, because to continue to have a thriving ecosystem, we need to support business formation, knowing that it is challenging to operate a business, particularly a micro business. Next slide please. So in terms of incomes, next slide, incomes are lower and we'll talk about why. And that's largely due to industry composition I think the thing we are most interested in understanding is there a gap. Yes. But that gap is not growing or shrinking. So in terms of income opportunity that gap persists. But it's not necessarily due to structural factors. If we go to the next slide, it's really due to the industry composition. And so we know small businesses are more prevalent in certain industries. And so when you take

the average of those industries, you're just going to get a disparity. What we're tracking here though is, you know, take finance and information. Small businesses have the same average income there than large businesses. So this is much more about industry composition than it is about the fact that small businesses have lower incomes than, than in larger businesses. Next slide please. So I think takeaways. Certainly I think when we look at business formation, we want to understand where resources and lack of resources are important. So if we look at the next slide please, what we see is consistently, minority and bipoc owned businesses struggle to access loans, lines of credit and cash advances. And this is nationally and prevalent everywhere. And we look at the number of denials being more than half that is a staggering sum compared to less, much less than that for white owned businesses. And the fully approved credit at 17% tells you effectively, one out of every five businesses getting the access to credit that they need. And that's certainly a big, hindrance in terms of economic growth and formation. Next slide please. This one is a real head scratcher, it's intentionally complex. And what we're showing here is taking, for example, a restaurant. And what would you need to do to start a restaurant in the city of Portland. And I think, the words are small. What's important is several takeaways. One, there are 60 steps here. All of the ones in orange are areas where you could be required to wait and I think for us, a good metaphor that we use was this is really a game of kind of chutes and ladders. You can take two steps forward and then five steps back and you don't have certainty. And that time is oftentimes is more of an impact than it is in terms of resources. But it's both resource and time intensive. And so I think here this is both county and city. And this is really getting at the complexity of why small businesses need additional resources. Because stepping through all of these hoops. And again this is just to do a restaurant are many. And the time is vast. Next slide please. So i'll end

with this in the sense that the city currently does provide a variety of resources, and certainly in line with many of our peer regions. The one notable difference is we don't have a dedicated or designated small office for business. And if you look at the last slide with 60 plus steps, I think it becomes clear as to what's going on. So I'm going to turn it over to shay to talk more about about that.

Speaker: And we're going to have fabiola speak first.

Speaker: Great. Thank you so much for your time.

Speaker: Thank you, doctor wilkerson, we hope you enjoyed that last slide with the, similar looking game board as something you may have grown up with. I certainly did. So with that, we want to introduce one of the grant recipients and also a owner of a business in downtown Portland, and someone who I know that my family will be using sooner rather than later. But fabiola cardenas, with sparkly gowns over on everett and ninth street. Welcome.

Speaker: Thank you andrew. Thank you, mayor Wheeler. And commissioners. I started my business and made the decision to locate my store in downtown with excitement and hot on my foot fitting my dress. However, during the opening of my store in Portland, I feel very alone with all of the challenges that the city presented to me. I love this city and I want to contribute back to the community with my business. But in that moment, the city was very. Instead of a supporter of my business, the quotes from other small businesses in the state of small business report matched perfectly my experience. The permitting process is too complicated and is difficult to find a way to fight for it. When I try to contact the city for assistance with the license that I needed and the phone numbers were always busy and different people calling me back with different opinions and the chutes and ladders graphics in the report also shows the realistic experience of an opening a business. If you have special knowledge of how the permitting process works, it can

go quickly, but without the knowledge you have to redo the street in the process, which leads to higher fees. Usually, entrepreneurs start their business with loans and sales, and we can wait around for a very long time before opening. It will be helpful if there is a dedicated office just for small businesses, which work efficiently on our errands, provide us all the information that we need and be with us when safety is usually are present. Entrepreneurs like me want to serve the city. It is difficult to comply with complex regulations. Creating an office designed for small businesses will make it easier to restart a business. Reduce costs for small businesses and grow the local economy. I would like to thank you to comcast rise program. The grant from rise helped me grow my business by improving my online presence, marketing and technology for my store. Thank you marion and the comcast team for your support. It means a lot for us. And finally, I want to say thank you, mayor and commissioner, for working on these issues. I appreciate commissioner Rubio bringing this idea to the City Council.

Speaker: Thank you, thank you, thank you so much. Fabiola and shay, it's all yours.

Speaker: Thank you. Go to the next slide, please. Well, good morning, mayor and commissioners. We get that up. I think there's a couple more slides till we get to the small business office exploration. One more while we get that up. I'll just say, for the record, my name is shay flaherty. I use pronouns like he, him, and I, and I serve as the director of economic development for prosper Portland. I'm really just excited to share some of our thinking, really, around how do we move this office forward as we as we move forward with exploration, as the commissioner has instructed us to? We go to the next slide and maybe one more after that. Just want to ground us on advance Portland. And that again, as the commissioner shared, this is within our goal of objective two of promoting equitable wealth creation, specifically around navigation services for entrepreneurs and aligning and

centralizing resources for small businesses in the city. We go to the next slide. Mike. Mike, just shared an amazing chart that showed that we actually do have a lot of the services present in our city that would be part of an office. And so I just want to share what some of those are now, and you can see some of the impacts on the screen. It tells us this might be more of an issue around shifting staff and shifting some of the branding and how our services are currently deployed. So you can see we're serving more than 800 small businesses through technical assistance. More than 500 businesses are receiving various grants. We also are, we have small business tenants and there are loans that are our programs deploy as well. Go to the next slide. I think we've we've covered the challenges enough and you've heard from both our partners at the chamber and Fabiola around some of these. But just again, again, the theme of navigation is a big one, as well as the fact that we do have some services that are currently sunseting with ARPA dollars ending this year, as well as layoffs and different cuts impacting different services across the city. But I do think this this idea of a central place has tremendous value. And so if we go to the next slide, you can think of this is what the team has really been considering in terms of what services do we have now and over time, how can we transition some of those into a central place and a central office? The most immediate move is happening next fiscal year in our in our budget for Prosper Portland in fiscal year 2025, we have proposed having two small business liaisons, which would be our very first step in seeing this potential office. And so these are really relationship based navigators modeled after some of the work we have in our in our Portland film office that are that one stop shop and can be subject matter experts for navigating some of these issues. If we go to the next slide and again, I'm trying to go very quickly because we have some great testimony lined up for you and you all hear from me quite often, but just in terms of our timeline, like I said, we have

some services that are winding down from arpa. We'd love to transition some of those small business hub services into one of the gaps that mike mentioned, which is web based services and web based education. We have such a robust network of services through the inclusive business resource network. So aligning that work with this office of small businesses is our is our move next fiscal year, onboarding those liaisons and determining whether or not that that really serves the need. And if that's enough capacity as we know that the need is immense. And then as we move forward into fiscal years after that, looking at how do we continue to integrate and hire any remaining services that we identify through that first year exploration? Again, thank you, commissioner, for the support there. So yeah, I think that's it for us. And we have some invited testimony on line. I think that's right.

Speaker: Or questions as well.

Speaker: I guess for our expert.

Speaker: Why don't we get through the presentation. Because we're running a bit behind. And then then we will have time for q&a if that's okay with my colleagues. Okay, great.

Speaker: So now we have invited testimony of, toby lewis from microenterprise services of Oregon, angie garcia from escuela viva, and mitch doherty from build Oregon. And then, fabiola, is she going to testify again?

Speaker: Well, that was it. Okay, great. Thank you, thank you.

Speaker: Perfect, good morning. Council. The morning. Mayor, thank you for inviting me. So to participate late this morning, my name is toby lewis. I'm the ceo and executive director of miso microenterprise services of Oregon. And we service, minority entrepreneurs and 80% of our low mfi, under income entrepreneurs statewide. But we are supported in Portland, by you all and heavily by prosper Portland. And their support. So thank you for that, I just wanted to share a little bit

with you about what we do and how that aligns with the advanced Portland, the plan itself, miso is a cdfi and a technical assistance provider, and we provide services specific to education, lending, loans, grant making, technical assistance, support. We have a youth entrepreneurship program. We have a makers market. So an actual physical space that in partnership with prosper Portland, we're able to offer to our smallest nonprofits and some of our, product providers. But again, we are really here to support some of the specific folks that they just referred to in that testimony in the report. We can validate the findings real time that some of the smallest and most underserved in our communities are some of the most important to our local economies. We are a really strong member of the ivcn and really providing that entrepreneurship support in partnership with our ibm partners like I said, we all do very similar activities, but everyone has a niche and we are really, really committed to working together to not duplicate services, but really provide what all of our organizations provide best. So as I mentioned, miso is a lender. Oftentimes we will come in as a lender or a grant provider for one of our other partners. Might come in on technical assistance and vice versa, one of the things we really wanted to share with you was, some of the support we've gotten from prosper. And again, I mentioned our makers market. We have a space in the alberta commons building that allows 45 to 50 of our providers and our ibm partners provide our clients to come and have their products there year round, and are sold without them having to sit there and sell them like they mentioned in the report, a lot of our entrepreneurs are full time employed outside of their small business, so this is just a great opportunity. That's supported to allow us to continue to have them sell their products without taking additional time, we are right now working on some systems upgrades because jay mentioned to you that some of the funding around arpa and others is disappearing. So a lot of our

organizations are reworking how we provide services, again, heavily in partnership with each other, but also looking at post-pandemic what it looks like to serve entrepreneurs in this space, one of the important things that we're doing, too, that really lends itself to these conversations is the training we're providing entrepreneurs around licensing, we do a lot of education, about 20 to 30 classes per month that we provide information and training specific to procurement and assistance when working with municipal governments and their systems. Again, the technical assistance, the loans and grants that come with that so personally has a loan program that goes from 100 to \$500,000, and we do some real estate lending as well. And again, that's all focused on small and micro entrepreneurs with a certain subset that we're working on and those who are growing their businesses. And that number is growing, I wanted to share the testimony. You're going to have one of our clients participate, she wanted me to read this to you all, in her issue that she had around contracting, with her small business. And I understand that moving forward and shay's plan, he's talking about having this one source for contracts and permits is going to be critical for our businesses. But she wanted me to read this to you, and then i'll end there, she mentioned her name is lisa hinton. She mentioned that last spring her contractor submitted for permits and they were rejected with some particularly large hurdles. They found out that the portion of their building was unpermitted and they weren't able to continue with the permit for the build out until the landlord themselves had those areas permitted. And as we know, that's very difficult. The landlord refused to have them permitted and refused to remedy the extensive mold issues from large leaks in the roof. They settled with an agreement to walk away, but then the landlord found another business partner within a couple months was able to open up a restaurant on the property regardless of the permit and mold issues. They were shocked by that

outcome. They've been working with the small business empowerment team for several months, had met with the city planner on multiple occasions to discuss the project. It was confusing and devastating for them as a business. They lost almost \$100,000 and had to forfeit a large grant with prosper and return a loan with visa. In doing that, they've done an incredible amount of footwork to get where they were working with the small business empowerment team for those months. And that amount of footwork ended just due to permitting issues. So she wanted me to be very specific and say thank you for advocating for their small businesses and for their small greens, and to continue to please put your support behind them, because initiatives like you're working on now are super important to those that we serve. And we have tons of stories like that, we just want to continue to just again, validate that the amount of resource you're putting in to helping small business and helping us organizations move them forward is so valuable and so important. So thank you, from miso and i'll pass it on to angie.

Speaker: Good morning. Mayor, city commissioners, my name is angie garcia, and I am the owner of escala viva, we are an early childhood program serving children and families in Portland. And now gresham. And we've been operational for the last 20 years. And in those 20 years, I have, three current locations, I'm in the process of purchasing another building, and in those years I have been through the bds, permitting process. I, have jumped through the hurdles. I have had many sleepless nights. I have this whole thing, prepared to, provide, to present to you this morning, but I don't think I need to review all the challenges. Like, we all know that it's extremely expensive to go through the permitting process even more, in the area of early childhood where there are not enough spaces with the correct occupancy for child care to operate. So one of the things that I really want to focus on, sharing with all of you, is just the critical importance between the city working with the

county, with preschool for all, we're really trying to increase the number of providers who are providing care. We're not going to meet the numbers. You all read the willamette weekly articles. There's a lot of criticism around preschool for all, and I don't think it is an issue. That is one one reason why it's not working, but one of the ways that the city can really step forward and help is to streamline some of these processes. One of the most expensive parts of doing, a renovation is buying life safety, oftentimes we need alarms and sprinkler systems. I just had a, a bid done. It's \$330,000 to bring in a sprinkler and alarm system into a building that I'm in the process of purchasing right now. So one of the solutions that I am hoping that you all will consider is much like, when any builder comes through, you know, you go through those sdc fees and, you know, like the parks a builder has to have a certain amount of money that goes into parks. Well we need we know that we need as a city and a county, more infrastructure around child care. So why not have some sort of fee that is called acted at the time of permitting that would allow us to help small most child care providers are women and women of color, and I really applaud the report that, was presented earlier because they are women and women of color who are trying to lift up these early childhood programs, but there are no spaces. So if we had funds that would help, then be able to change change some of these spaces from non, childhood child care spaces into child care spaces because these occupancy changes, the fees are astronomical. The timelines are really long. So we need to do whatever we can, including the programs that were outlined earlier. That will really help providers. Number one, understand what is involved, because it's just you start going through the process. It's like you get one barrier after another. And if there was somebody in bds who was able to walk them through each step of this process, instead of you get one reviewer, then you get inspectors and you get a different reviewer, or and the whole process is just really,

really, confusing. And then it gets discouraging. So, you know, I've done this a few times, I know what I'm up against, but most providers don't. And so we're going to really be discourage a lot of people from expanding, if we don't make this process easier. So I have more that I could offer, but I think that's probably the gist of it, and I am late for my board meeting, so I have to go. But I offer myself up, to, help. I'm not just going to tell you what I think is wrong, because I've done this a few times. I'm willing to sit down and offer solutions because I have more. More. But that's about all I had time for. So I appreciate your time and your willingness to hear me this morning. I'm also a comcast rise recipient. So go comcast and thank you again for your time.

Speaker: Thanks, angie.

Speaker: Hi, everybody, thank you for the opportunity to speak today, my name is mitch doherty. I'm the director of built Oregon, it's a nonprofit focused on supporting Oregon's consumer product companies through a few core programs. One being bridges, we work very closely with prosper and ibn and kobe and everybody else, it's a program to expand retail opportunities and sales channels for bipoc led companies. And over the past four years, we've worked with about 100 companies through that program to get them access to the new revenue streams, we also run an accelerator program, and we work with 76 companies, including 57 bipoc founders and 43 women founders, the program focuses on founder, mental health, peer connections and also connecting them with 225 mentors that are part of the build network, in addition, based on a grant from nike, we focus a lot in the black community and, we've given out about \$300,000 in micro grants to black owned businesses, run a black business accelerator program held a black Friday pop up, hosted community gatherings, and provided mentorship and support to black founders. In addition, build has also been the fiscal sponsor and supported

pitch black over the past few years. That's led to an additional 240,000 to black owned businesses, I kind of wanted to, like, highlight some of the work we do and just kind of emphasize that every one of those companies is a small business that we work with over the years, and I wanted to kind of bring it back. I know permitting is a big concern, and I wanted to kind of like dive in a little bit and just say there have been many discussions around the need to streamline it and make it easier to navigate, which are both very important. But I think what's critical is, the aspect of time, the clock is ticking. Once you sign a lease, once you start tenant improvements and stuff like that. And so if you're expecting to open in spring and the delays cause you to wait until fall, you're now paying all those expenses over that eight months, this was the case with one of the companies we worked with. I mean, who missed out on her opening by over eight months because of the permitting delays, missing out on an entire summer season where she forecasted selling 10,000 pallets a month, and ended up having to do a gofundme as she prepared for the actual opening and the fall, and this should not happen. This should this should be the critical thing. And so does somebody brought up that chutes and ladders that game diagram, as we think about that, what I want that first square to start with is a budget. Because every one of these small businesses starts with a forecast and reserves and their savings. And every step of that way that goes down. So by the time they're opening, it's very hard for them to be successful. So as we look through that process, yes, there's time, but that has to be in relation to also the capital, the resources and the money they have to launch that business, I just wanted to kind of end with some of the feedback that I got from small business owners that we work with on how the city and, can potentially help them, I want to, like, double down and say, create an office of small businesses, a voice for small retail restaurants and manufacturers, these business

owners have no time. They're stressed. They have families. They need that human connection. They need somebody that will help them navigate everything that they have to do to be a small business in the city, have experienced people who understand the permitting and regulation process available to be there every step of the way. Many, many of these small businesses can't afford or know someone who can help with this process. And we think that this should be a tax offered for free, from the city of Portland. Think about the first year, what incentives and support can be put towards helping small businesses, and the critical first and second years supportive events, promotions, employee tax concessions that create momentum and cash flow funding or grants to incentivize manufacturing in the city, potentially a loan loss reserve to help companies get loans when they're not able to in the first place, work with landlords so the empty buildings and spaces don't sit empty waiting for premium rates to be paid, rates that small businesses cannot afford, and support ways to increase patronage of small business, including safe walking corridors, crosswalks on popular speed on streets, small business spotlights and campaigns that encourage patronage via support from the city and potentially free parking downtown. From Friday at 3 p.m. To midnight on Sunday to encourage people to come down and visit and explore all the businesses downtown and the most easy way, I think that I just want to, like, approach this, the council and say that the way we approach everything is built is from an empathetic and human focused approach. And so as things get discussed at this council, that's where I would love the city to focus on the empathy and the and the focus on the founder and put yourself in their shoes because their shoes are the backbone of the city. But it's very, very hard to start a business right now. Thank you.

Speaker: Thank you. Mitch, I think that concludes the presentation.

Speaker: Very good. Colleagues, any further questions? Do we have public testimony on this report, no one signed up.

Speaker: Okay. And, my notes suggest we have, David Konhauser also here from BDC to answer questions, just to answer questions. So, let me just say this. First of all, there's very little you've told me. We didn't know, we've been hearing about the permit process, I guess, now for several years. And I want to really acknowledge my colleagues who have worked very, very hard to streamline this process. And there's it's complex. There's a number of components to it, first and foremost, every one of those 60 steps, although I think you fudged a few there, but I appreciate it. I liked I liked the diagram. The point is accurate and well taken is it's amazing. It's complicated and there isn't sufficient resource to be able to navigate people through the complexity of the system. I also want to remind people that each and every one of those steps was put there by some group in the community who felt very, very strongly about either life, safety standards or they felt strongly about environmental standards, or other types of issues that are reflected within the complexity of the permitting process. I think this council is uniformly committed and has stated so publicly many, many times that we acknowledge everything that you said about it being too complex, too expensive, too time consuming, and, not enough personnel, which is sort of a uniform problem right now, I think, in customer service generally. But in our permitting department, we acknowledge that there's a disconnect between what we're asking people to do and the level of support we're able to give people as they navigate that complex process. Yes, I want to thank Commissioner Rubio, who has taken up the poison chalice to work on this issue. I think we can do it. And we have other examples that we can look to that help us chart the way. And I know that the Bureau of Development Services and Commissioner Rubio's team have worked hard on this, and they're working with, I

believe, all of you as stakeholders in that process to make sure we get to somewhere that is more rationalized, given the needs that our small businesses have. And I may have missed it, but small businesses employ 80% of the people in this community. And if it was already said, it's worth underscoring this is the backbone of our local economy, no economy, no resources, no community services, period. So it's important that we get this one right. And I will tell you for the remainder of my time here, I am deeply committed to supporting the efforts to streamline, simplify, and reduce the cost and hassle factor associated with permitting. In particular, I also want to acknowledge something else. The permitting issue came to our attention pre 2020. In fact, I think it's probably been around for about 20 years, and there's been several iterations, several takes on this. But we also have other issues that I hear from small businesses on a daily basis that are just as important. Permitting is critically important to getting up and running and being ready to go to serve your customer base. But I also hear from people on public safety, on homelessness, on livability issues, and on what kind of opportunities or incentives can we offer beyond the permitting process. And I'm very pleased with the work that this council has done to address homelessness. And we won't bore you with the details because we've had many long presentations. This council has actually gotten into the lead in terms of the way we work with people to help them get off the streets and maintain our public right of ways. The impact reduction program has been significantly expanded. The Portland environmental management office was stood up to address litter and graffiti issues. We have offered tax incentives working with with you, Andrew and others, that have been very successful to encourage people to stay in the central city to re sign their leases or sign new leases and, obviously there's much we are doing to, to energize the local community through activation. Again in partnership with the business

community. And I want to acknowledge that this is a public private partnership, and we all have a vested interest in it. We've all made investments in the recovery of this city and frankly, the future expansion of this city. So it's a long winded, tedious way of saying thank you, commissioner Mapps, thank you very much.

Speaker: I really appreciate the presentation today and the research that went into this, and I am deeply sympathetic to some of the calls for reform. I'm still trying to get my wrap my brain around some of them, though, it might be helpful. I don't know if this is the right slide to, frame the conversation, but I think there's a slide with the headline says something city provides a variety of resources, and it's a it's a table. Can we pull that one up the comparison slide. Yeah yeah yeah yeah. And my questions are pretty much going to be directed towards prosper today. I think it's impossible to bring up that slide. And and there may be a better one, for the question but which slide, the slide. It's a table. A table that shows, I think the different resources that cities across America provide, the business community, it's a fairly deep into it. I think the title should be something like cities provide a variety of resources.

Speaker: So the check boxes.

Speaker: Yeah, the check box slide. There we go. Thank. Thank you. So it seems like one of the, one of the take homes today is, create a designated small business office, sounds like a good idea to be. I think one of the things I'm trying to figure out is, how is that different from what prosper already does is, you know, I kind can you help us think about are these are will the small business office offer services that prosper? Could linly doesn't offer, or how should we think about this?

Speaker: It's a great question, commissioner. Thank you. So I would I would offer that most of the services that you see in those check marks actually live inside prosper Portland. Yeah. And so what we have is both a smaller issue of substance

and a larger issue of branding and marketing. While a lot of those services are happening, a lot of them are happening through third party providers that are happening through a network of services. And our proposal to have the two small business liaisons starting next year is really because what we don't have throughout all these different services, we don't have people embedded at the city or at prosper Portland. Who are those, points of contact? Right. We've we've moved to this model to have efficiencies and kind of economies of scale where we can reach as many business owners as possible. But we here, in terms of feedback, time and time again, is nobody knows the city like the city. And so having these small business liaisons echoes what we see in cities like Seattle, where those, they call them advocates, right, that are able to answer the phones and kind of be that direct point of contact. That's what we're suggesting is starting with those two. And then that being the seed to how we integrate all these different services under the branding of an office of small business. But functionally, I think you're right. We're doing a lot of it, and a lot of it lives at prosper, which is why we think it might be the right time and place to make this move.

Speaker: Okay. Great. That's helpful. I think one of the things I also heard today is, prosper has some arpa dollars, arpa dollars are are, sunseting. And maybe this is an opportunity to reinvent or reinvent, prosper to some degree. Is that are we ultimately talking about reimagining prosper or are we kind of talking about taking staff who have been working on arpa projects and trying to, reassign them to another space? How should we think about this in this particular case, it's more of the latter, the program specifically that are sunseting with arpa are the small business hub. When you look at where we have that ongoing gap is an online resource guide. Right. We stood up the hub throughout the pandemic. So that's winding down. We are proposing that this is more of a shift. And can we use

existing resources and other ongoing sources that we have to shift that small business hub and that online infrastructure, keep that in terms of online resources, supplement that with the real life folks that can answer the phone, so yes, a lot of it would be sunseting, but we're trying to keep a core and use existing resources to supplement, maybe just, put a point on it, is the proposal to create a, office of small business, revenue neutral today, or is it going to require new investments from the general fund for next fiscal year?

Speaker: It's revenue neutral, we are proposing using some of the returning tif funds. We know that the bulk of those dollars are really meant to stabilize the agency. There's a tiny bit of flexibility that comes with those dollars. And because this is called out in advance, Portland, because we have this prioritization, it's enough to cover two staff folks.

Speaker: Okay, and one other thing which jumped out at me, from this slide in particular is I noticed that Portland does not offer employer tools slash health insurance, I can tell you as an employer, the city, one of the biggest employers in the in the, the Portland metro area health insurance is a is a big deal, but I'm not sure what that category is. What is that category? The last the last row.

Speaker: I'm not familiar with, the services. I mean, we think of it in terms of there are you do see evidence and trends across our our landscape here in Portland of smaller employers starting to provide insurance, in terms of how I'm not sure if that's the city subsidizing, I'd have to look at what the other cities are actually doing in that space.

Speaker: Yeah, I think it's more around the city backfilling and providing a kind of an insurer of last resort when that doesn't exist. And certainly the state has different resources based on state level. So I think, again, it's just the city going above and beyond to help fill gaps.

Speaker: And I can just add I operated the brooklyn office of small business services from the brooklyn chamber of commerce. We were one of the local borough partners. The thing that is different here, than in most other places in new york city, is that you had, workforce and health care as a toolkit that was offered by the staff of the small business services, office in our borough. So, in other words, when you walked in as an employer like fabiola and you had across the board questions, some of them weren't specific to city issues. They were how do I hire the right people, and how do I ensure my, my, my organization? That's also including things like property and casualty and other issues like that. So new york city had extreme, highly advanced and sophisticated service system. Their health insurance was one of the offerings, and you were able to be agnostic about providing information to employers who were trying to get health insurance for their employees, do you think that something like that would be helpful here in Portland, or is the environment just different 100?

Speaker: It would be helpful. Let's just call it like it is. We need some baby steps first and organize ourselves and start to build off of a core institution. This lineup here would be a godsend to some of the employers that are looking to start businesses right now. If we could just organize it correctly.

Speaker: Okay. Thank you very much. I have no more questions.

Speaker: Great. Commissioner Gonzalez. I it's going to build in some ways off of commissioner Mapps question, but I want to go back to the example of the childcare provider trying to find permits in the city of Portland.

Speaker: This is a brutal experience nationally, frankly, for anyone trying to build a child care center, whether you're a multinational or a small provider, part of it is because you're dealing with local zoning code and invariably you have some sort of state, license you have to go get, but that's brutal for big business, too. I want to be

crystal clear when you're going into a new market. Child care, is not an easy thing to place. And, and so I guess this kind of gets to my question. So, I think we need to have small business targeted services, and we also need large business, targeted services. And their needs are going to be somewhat overlapping, but are also quite distinct. I mean, you kind of some of the testimony hinted at at small business, you just don't have the infrastructure to be grinding out some of these permitting requirements. In a large company, you have, someone devoted to that, but a large company also has some other needs in terms of, what they look for and where they're locating. So I guess if we create, I just want to I gets to my question when how do we divide labor currently and prosper Portland between small business and large business and so what's the status quo right now? And if we establish this office, what would that look like going forward? Because there are very, very different needs. And in some respects and, so I'm just sort of curious what happens today and what would happen after this.

Speaker: Yeah, that's an excellent question. Thank you. It gives me always excited to have a chance to plug our program. So i'll say the two teams are they vary in size right. Depending on the programs that we have. But they're roughly around the same size. One is called the entrepreneurship and community economic development team. That includes the inclusive business resource network, the neighborhood prosperity network, as well as our investments in workforce development. The other team that deals with more of our large employers and our anchor employers is called the business advancement team. That team, they're roughly they're always between 8 to 9 people each. Although with arpa, the community economic development team has gotten a bit larger and the small business liaisons would live in something similar to that team. The business advancement team has staff dedicated to each of the five cluster industries, where

we are the most competitive. It's the team that partners with commissioner Rubio and the mayor's office around business retention. It's a team that engaged in thought, partnership around the downtown business incentive, the enterprise zone. We also manage the tax incentive program there, as well as international trade and partnership with the port of Portland. Lots of trade shows, lots of international work. So they're roughly around the same size, I think we foresee, you know, given next year, depending on, on resources that might come in, we will probably see more energy going into the business advancement team around climate tech, acknowledging that there are resources like pcef coming online that could play in that space in the coming years, but roughly, we try to keep them at parity and I mean, there's a logic to that.

Speaker: They if you were to I mean, we've kind of gone through the impact of employment relative to resilience of employment in the in small business, assuming finite resources, where do we get the greatest employment generation? If we were to invest city resources in one or the other, or do we know that?

Speaker: Well, commissioner, I'd argue that they're all a piece of the puzzle. Right. As you said, large employers, if we're in a childcare desert, folks aren't going to want to live here and they won't have places to put their kids right. Similarly, the goods and services that make a vibrant community are from the small businesses that that make up our neighborhoods. And our commercial districts. Similarly, the large businesses are our primary employers. If we don't have those primary employers, we're not bringing in traded sector dollars and we're trading money amongst ourselves or money is exiting the state. So when we think about our gross regional product, we need those primary employers that are selling goods and services outside of the region. So I would say they're equally important. And they're they're mutually necessitated, right? They are they are dependent on each other.

It's a broader economic ecosystem that we're a part of. So I would I would hesitate to put value in one over the other in terms of roi.

Speaker: Yeah, I in the no interest in putting one against the other. It's more as stewards for the city as we evaluate a variety of investment options, trying to figure out where we get the most bang for the buck. But I think your answer was fair. I, I'm good for now. Thank you. Great

Speaker: Commissioner Ryan.

Speaker: Yes. Thank you, and thanks for this report. It's really an important document. I want to thank you all for your time today. It's good to see you, andrew from chamber. Marianne, you're still here? Yes. Everyone is really happy with you. You offered some cash, doctor mike with econorthwest. Thank you very much. And, fabiola, your dress shop. Your perseverance, your story was was a game changing for anyone listening. And shea from prosper Portland and the guest presenters. It was really a good comprehensive conversation. Some takeaways that I have is, not lost on anyone. We just need to have that alignment and real supports in place for our small and micro businesses. And so it sounds like the typical Portland story, where we have little crumb silos here and there and like, let's align them up. So they actually, people know where to call because my experiences I've been in office since 2020 has been a lot of frustration from small business and micro entrepreneurs because they just don't feel like anyone's picking up the phone. Responding to the email in the website. So I think we have a great plan of action here with what commissioner Mapps had you bring up. The action steps are all there, it's noted that we, you know, the small business office obviously has been brought up a lot, but the online resource guide is missing in the network and advocacy, we have that employer tools in health insurance. So I think it gets to the heart of the matter on some of the frustration that I've been hearing. So, we also

hope that the new city manager, really looks at this, and I think that the building that you're doing with your work area, with economic development, it has to really get there before one 125 so that it's not, another thing put on the list for the city manager. We just do so much planning and pausing, planning and pausing. A small business doesn't get to do that. They have to plan, do, study, act, keep going all the time. So simultaneously, it's time for government to meet them. With that same stride. And so we're just slow and we can't. We have to start keeping up with their needs. That's kind of a summary. I do want to say that permitting it's I'm attached to it. I got that assignment. I brought in all seven bureaus for the first time. I know it's been 20 years, mayor, but no one thought of bringing all seven bureaus together, so that helped. Then we actually, for the first time, put people in the budget. Professionals to be the cat herders and sherpas. So I'm hoping that we're starting to see some of the benefits of that, and we need to keep that continuous improvement on the table. We need to keep making some of the internal people uncomfortable with their job descriptions evolving. So we actually meet the customer and not, anyway, i'll stop there. I think I made my point, but when I'm pressed so many times on what Portland needs, it needs people like you. Like we need young, you know, you can be any age. My god, I should never say that. I'm. I'm the oldest person up here. But we need ambitious people to move to Portland and build. That's what we need right now. We are losing our tax base and the international reputation. Whether we think it's earned or not. It's there. And a lot at the top of the list is such an annoying, frustrating place to try to do business. We also hear it's a frustrating place for families to feel safe anymore. This is so we're a small business town. Why aren't our practices the best in the country? Like it doesn't make any sense. So it's time to play to our strength. And we all know that the larger companies are frustrated too. And they do have those internal resources.

But the disparity with the small businesses who need that sherpa to guide them through the permitting process is real. They don't have that. So we have to show up and advocate and go through a lot of hurdles. So anyway, I just hope that we can start being more ambitious ourselves about this. And I don't want to hear the same report one year from now. Thanks

Speaker: All right. Thank you everyone, good report. And we do not have public testimony. Is that correct? I'll entertain a motion. So moved commissioner Mapps moves to accept the report. Commissioner Ryan, can I take that as a second? Commissioner Ryan seconds. Any further discussion on the report? Hearing none. Please call the roll. Ryan I accept I want to thank, commissioner yea. Rubio for bringing this forward.

Speaker: And staff, as well as comcast, the metro chamber ego northwest for helping to create this small business report. One of the things that makes Portland unique is our respect for and culture of small business. I spent a decade of my life as a small business owner in Portland, the most satisfying really, part of my private sector career, also the most challenging. My wife is now a latino small business owner in the city of Portland. So deal with the agony and the ecstasy of it regularly. It's fantastic to see the resiliency of the small business community, as an employer, in recent years, I think that's an important for us to remember. I also think the relationship between large business and small business, so many of our small businesses are dependent on large businesses as their customers. So sometimes the question about allocation of resources as a city, implies that we want to pit one against the other. It's not at all. We need them both, and they're interdependent, I do want to hearken back to some of the mayor's points that, when I hear from small business owners, in addition to navigating the permitting process, we have other issues that are challenging our entire community. And, public safety,

homelessness, tax burden, are issues for our small business owners and their, issues for our community as a whole, and so I think as we look forward to solutions, it's we need to keep that on the radar screen, I last but not least, many of my colleagues spoken to the permitting challenges in general. I do think when we talk about the culture of a city going forward, whatever we can do to emphasize the city that works again and for small businesses, large businesses, for anyone trying to, put in a bathroom in their basement, the whole nine yards. It's just that mentality that we need to permeate throughout our city. Professionals and we've talked about a lot of other things in the last ten years, focusing on customer service and functionality. I think we need to put front and center. I vote to accept this report. Thank you.

Speaker: Maps, I want to thank commissioner Rubio for bringing this item forward. Very much. Appreciate both the report and the presentation today, I'm more than happy to support your bottom line, which appears to be, let's create an office of small business within, prosper, that sounds wise to me. I'm also going to, join my colleagues in saying, you know, we get dozens, if not hundreds of email and phone calls a day, many of them from folks who operate small businesses. The thing that, I consistently hear at this point are concerns about livability and crime. I think if we wanted to do, if we want to help small business in Portland, you know, we really have to make sure that, number one, you know, people can get in the front door. They don't have to navigate tense needles, and other debris, I can't tell you how many times a week I hear a heartbreaking story about someone breaking into the back of a small business. And making off with tens of thousands of dollars and merchandise, I will also tell you, I am horrified and haunted by the stories of small business owners who are frankly, beaten, in their businesses and the course of robberies, I think until we get on top of challenges like that, colleagues, small

businesses in Portland are not going to prosper again, however, you know, we need to walk and chew gum at the same time. So I'm doing these administrative reforms, bringing more focus and prosper on the needs of small business makes a whole lot of sense. But focusing in on livability and public safety has to be a part of this solution to, with that in mind, I vote.

Speaker: I yea. Rubio I want to once again, thank everyone who came together for this report, including, of course, marion from comcast and andrew from, Portland metro chamber. Doctor wilkerson and shay, thank you for all your work and your presentation here. Also, thank you to kobe, angie, mitch and fabiola, for sharing your experiences and the impact of your experiences on the city and your your ideas for how we can be better, I also want to acknowledge, the work that, director kuhnhausen is directing his team to do to be more responsive to small businesses. We know we have our work cut out for us, and they have taken some really good steps around, especially the emerging line of work specific to preschool and early childhood and, small businesses and in general permitting reform. So, moving forward on that, I think it's important, also to lift up that this is a really critical report. And to some degree, it's an idea roadmap as as we saw in a lot of the concepts and the comparisons to the other cities across across the country. I'm grateful that we have andrew and his experience in multiple other cities and his network across the country, to help us reach that level of a world class, city for small businesses, because we all know that it's true that small businesses are at the heart of what makes Portland so special, and therefore the heart of making sure that, we all thrive and continue to move in that direction. So, we've heard incredible. We've all you've all heard that we're all incredibly eager to move on our next steps to create this small business office. And I'm glad that we're working hand

in hand with our partners in the private sector. And I look forward to this continued collaboration. So thank you again for being here. I vote yea Wheeler.

Speaker: Yeah, thanks, everybody, for the presentation. It was excellent work, I want to level set from my perspective, which may be slightly different, which is that I believe this council is making good progress. We have seen crime rates go down significantly in some categories that were very problematic for us. Even gun violence. We're starting to see the tide turn there around homelessness for the first time. We actually have a structure for in place, programming in place, outreach in place, services connected to those who have been chronically on our streets for some time to help them get off. Those systems are working, we are addressing livability in ways that we never had to do before, through the office of environmental management, as well as the stepped up efforts on the impact reduction program, and the list goes on and on. And so as I get close to the end of my time, I'm going to get slightly philosophical. And, here's the one thing I'll say on this. And then I'll shut up. When we were the city that worked, that's when all of this was put into place. We didn't have a system even for a collective system, for picking up the litter on our streets, because there was no we didn't have an office dedicated to graffiti abatement because there was very little we didn't have a homeless system at all, really. We had some nonprofits in the city, helped a couple of those nonprofits here and there, but we didn't have anything like the structures we currently have in place. And the byzantine permitting process was in place and created during the time when our city worked. What happened was we experienced a new era, an unprecedented number of simultaneous worst case scenario crises converging all at once. And it pressure tested the systems that we had in place as a city. And guess what? They failed. They weren't what we thought they were in terms of how strong they were. And they certainly weren't appropriate to the future of

this city. And so the positive lining, if I could, is this council has no debate. I mean, we have minor debates on these issues, but the truth is, we're unified and democracy is usually much messier than it is when it comes to this council's approach to those issues that are so important to our small business sector. And so I also want to just put a slight tone of optimism, if I dare, that we are taking the right steps, that we are prioritizing the right things, that we are making the right investments, that we are establishing the correct program, commissioner Rubio, thank you for bringing this and doing the hard work you're doing on the permitting issue. New ideas are coming from those who are closest to the community. All of you around the business, small the office of small business. I think it's a really intriguing idea. And if it can actually demonstrate added value as opposed to just added bureaucracy doing more of the same, so I appreciate that some of the questions that were asked by my colleagues that I'm all for it, and I said I'd shut up, so I vote, I the reports accepted. Thank you for the presentation, colleagues. I know we've been going over, but the auditor has been oh so patient. Could we could we do one more item, the auditor's item so she can get back to the good work of hopefully auditing somebody other than me?

Speaker: Thank you, mayor and commissioners. We appreciate it.

Speaker: Thank you. Thanks a lot. Thanks for your hard work on this. Well well done. And I also want to thank andrew fitzpatrick from my team, who's been working with all of you and working hard on this stuff. Andrew couldn't stay, but I want to acknowledge his personal efforts and let him know how much I appreciate it. Could you please call item number? 284. Yes. 284, please. And 284 is a first reading of a nonemergency ordinance.

Speaker: Amend hearings office code to transfer the hearings. Office from office of management and finance to auditor's office.

Speaker: So we have the outstanding and very patient city auditor Simone Reddy here to present this ordinance. Good afternoon and thanks for your patience.

Speaker: Well, good morning. We're still before noon. You're right. It is still say that, thank you for having me, Mayor Wheeler. And commissioners, my name is Simone Reddy, and I'm Portland city auditor. My office's mission is to ensure open and accountable government by providing independent and impartial reviews and access to public information and services to city government and the public. I'm here today to propose an amendment to Portland city code title 22 to codify the placement of the hearings office in the auditor's office. The last time I was here to present my office's requested budget in February, I shared my priorities for the next fiscal year. And chief among them is to implement charter reforms consistent with that priority is my agreement to take back the hearings office on July 1st from the office of management and finance, depending on the outcome of the city's budget process. This amendment represents another step in the hearings office transition back to the auditor's office as the city prepares for a new form of government in 2025, namely, the new reporting structure created to operate more efficiently and effectively. This amendment makes slight changes to align the code with new language standards from the city attorney's office, and it also clarifies processes based on recommendations from the chief hearings officer, and the changes have been reviewed and approved by the city attorney's office. Before I get into those changes, I do want to provide some background on the hearings office, the hearings office provides fast, fair and impartial adjudication of alleged city code violations. Until June 2020, the hearings office was assigned to the auditor's office with the auditor's consent. It was moved to omf after my predecessor withdrew her consent to support it. And as part of the organizational structure that you approved in November for Portland's new form of government, I consented to the

reassignment of the hearings office to the auditor, effective July 1st, 2024. This move reinforces the value of public service that I bring to the auditor's office, which is to ensure that city services are provided equitably and protect processes that allow people to be heard when they feel treated unfairly. My office is very excited to have this important function and talented team back. Now the return is pending two council actions one, your adoption of this code amendment and two your approval of the 20 2425 requested budget decision package for the hearings office. The ordinance before you amends city code chapter 22 02010 to codify council's delegation of the hearings office to the city auditor. It clarifies that the hearings office will fall under the auditor's independent authority, as provided in city charter. This legislation will bring the code into alignment with new language standards. For example, it replaces the terms shall with will this legislation also clarifies the parties right to request a continuation of a hearing. When a party determines that additional evidence should be brought forward, and it restates the procedure regarding compelling compliance with a subpoena in a way that recognizes the authority of the circuit courts to make their own determinations. In short, this increases due process rights for the city and the public. With that, I offer my thanks and I welcome your questions. I want to thank chief hearings officer william guzman, chief deputy city auditor reed broderson. My office is general counsel lisa hawley, chief operating officer michael jordan, and staff at omf and the mayor's office, as well as our labor partners for helping transition, transition hearings back to the auditor's office. If you have any questions about the proposed amendment or the hearings office placement in the auditor's office, chief deputy broderson is here to help answer them. And linly rees from the city attorney's office can also help you with questions about other elements of the proposed amendment.

Thanks.

Speaker: Very good. Thank you madam auditor. We appreciate it, but does anybody have any questions? Let me ask first. Do we do we have public testimony on this item?

Speaker: We have one person signed up, but they have dropped off. So maybe give it a minute to see if they're able to reconnect.

Speaker: Okay. Very good, in the meanwhile, anybody have any questions? Commissioner rice?

Speaker: Annoying one, maybe, but, where to go when I was looking through it. Thanks for being here, first of all. And that was a good report. It's just, you can get back to me between now and the next reading when we vote on it. I did happen to notice the inclusion of the word timely under the adoption of the rules. Section c point. It says notice of the proposed modifications will be given to all persons who submitted timely written testimony or comments. I just want to know what we mean by that firm, timely and manage expectations on that. So you could either answer it now or offline.

Speaker: Sure, i'll do some more research on that and get back to you. Thanks

Speaker: Very good. Anything else? All right. I will just say this, we're not voting this is a first reading of the nonemergency ordinance. I greatly appreciate your leadership on this. Auditor rede. This is exactly, what needs to happen. The hearings office closely aligns, as you indicated, with the work that is already done in your office. And I think this also makes a lot of sense, given the structure of the new organization structure that's being considered. And I also like the independence that goes along with having this be in the auditor's office. I also heard what you said in terms of not only supporting this, but also making sure that you have the resources you need to be able to do this effectively, it seems like a reasonable agreement. So, not to destroy the surprise, but I just want you to know, I

enthusiastically support this, and I want to thank you for your hard work on it. This is a first reading of a nonemergency ordinance. It moves to second reading. We will take a let's see 48. We'll reconvene at noon. I apologize to our closed captioners security. Everybody else. We went way over, but thank you. We will reconvene at noon . For your . Ordinance.

Speaker: Authorized. Settlement and payment of attorney's fees and costs. And michael kessler v ted Wheeler, mayor of city of Portland and city of Portland. For amount not to exceed \$166,893.

Speaker: Senior deputy, city attorney mike porter is here to walk us through the ordinance.

Speaker: Thank you. Mayor, good morning, mayor and council. My name is mike porter. I'm a senior deputy city attorney for the city of Portland. And sitting with me is my colleague trevor bird, a deputy city attorney with the city of Portland, in December of 2016, the city automated the public records retention system for text messages through the purchase of archiving software smarsh. Despite the city's efforts to automate the retention of text messages, it later became evident there were gaps in coverage related to I messages to address the issue. The city of Portland with mayor Wheeler's support, took additional action to preserve our messages by archiving and backups, city phones identified as having sent or received messages. This is the blue bubble. Green bubble discussion, and to enroll all city devices in a program that would prevent imessage from being enabled going forward. That would be the enterprise mobility management software m. The solution proved effective in archiving and retaining city phone messages. However, the time required to implement these measures led to unanticipated delays in responding to some public records requests, resulting in a lawsuit being filed in December of 2022. A settlement of that lawsuit has now been reached in this case,

and the interest of all the parties to avoid the uncertainty, time and expense of continued litigation. So we are here today to ask you to approve an ordinance that it has an exhibit, the settlement agreement, that we have agreed to. Thank you. I'm happy to answer any thank you questions.

Speaker: Colleagues, public testimony, no. Call the roll.

Speaker: Ryan I Gonzalez I apps I Rubio hi I the ordinance is adopted next item please 290 except guaranteed maximum price of \$7,557,030 from granite construction company for construction of the northwest ninth avenue northwest hoyt street system improvements project colleagues as part of the joint project by the bureau of environmental services and the Portland water bureau.

Speaker: This item authorizes improvements to water sanitary, and stormwater systems to address existing deficiencies. His arm, chief procurement officer kathleen brennan, is here to present the item. Welcome, kathleen. Thank you for being here today and thanks for your patience. Good morning, mayor and commissioners.

Speaker: For the record, I am kathleen brennan, interim chief procurement officer. With me is rhonda fast, capital project manager with the bureau of environmental services. We are here to recommend authorization to enter into a contract with granite construction company for the northwest ninth avenue, northwest hoyt street system improvements project. Council approved an exemption from the low bid procurement method on December 16th of 2020, authorizing procurement services to conduct a request for proposals, solicitation process for construction manager, general contractor services. The construction services estimate was estimated at 5.4 million, with a moderate cost evidence level rating. We issued a request for proposals on November 19th of 21 and received one proposal on December 22nd of 21 from granite construction company. The proposal was

evaluated by a five member evaluation committee that consisted of representatives from the bureau of environmental services and water and a community member from the minority evaluator program, and the committee recommended a contract be awarded for pre-construction services for the collaborative project design constructability reviews development of construction, procurement, management, equity and safety plans, and the development of the guaranteed maximum price for construction of the project. Randa, rhonda. Sorry. Rhonda will now share a brief presentation about the project.

Speaker: Thank you. Kathleen my name is rhonda fast. I'm the project manager for this joint project between biz and water bureau. Next slide please.

Speaker: So this off site sanitary storm and water infrastructure project is one of the many projects associated associated with the prosper Portland led Broadway corridor usps site redevelopment of which there's been a flurry of actions and progress over the last month that hopefully you've heard some about. Next slide please. For instance, the phase zero prosper led demolition and remediation work has just wrapped up and housing bureau recently issued an rfq for affordable housing development on lot part of lot four. And just a few weeks ago pbot was here with a with an authorization an exemption to bid. So that they can issue an rfp to extend northwest Kearny and Johnson, which is all part of the on site work. And that work is expected to start in fall. And our off site utility work is one of the important infrastructure puzzle pieces that is necessary. That's part of this larger effort. Now, this work has been carefully timed and coordinated with these other projects, so that the work on Ninth can proceed in a way that doesn't create any conflicts with the other projects. Since Ninth Avenue is a major haul route and is needed for the other on site work, so now that the demo is complete, the pbot work is scheduled. We're here today with an important project on Ninth Avenue

extending up to hoyt, next slide please. A little bit of background. As kathleen mentioned, in 2020, we requested an exemption to pursue alternative contracting cmjk in this case. And at that time, our designs and cost estimates were very preliminary. And since 2022, our cmgs are selected. Cmc contractor granite construction has been a critical member of our multi bureau team, and they have gained deep understanding of some of the riskier elements of the design, including work in close proximity to the Portland streetcar and near existing utilities that have to be protected, and then also during pre-construction services. Granite has embraced the implementation of a newer social equity and contracting program, the rwa and cdep, which was a key part of the vision of the Broadway corridor effort. Overall, next slide, to that end, granite conducted an extensive outreach to minority and women owned firms and have identified a number of minority owned subcontracting firms that will participate on the project and are on track to exceed the overall utilization goal of 25. They're going to be closer to 34, and they will also implement some anti-harassment respectful workplace programs, games on site that are part of the rwa requirements. And they have been and will continue to report to an advisory committee that's currently convened by prosper Portland. So, next slide. We we're excited to continue our collaboration. With granite construction. And we our goal is to ensure timely delivery of infrastructure to unlock the development potential on the post office site, therefore, we're asking council to accept the report and accept the guaranteed maximum price from granite construction. And I'm here. Next slide. That'll be it, we're here for any questions that you may have great colleagues.

Speaker: Any questions at this juncture commissioner. Ryan.

Speaker: Yeah, it's about cobid and how, we're building, prosperity, for those that we've left behind forever. So when I see those numbers, my question is always, I

think because we have some big projects and big opportunities coming up, and I know that the community benefits agreement has roots in this project as well. So when I hear the percentage that's the owners do we get, what's the data like that we receive in terms of the workforce that has to that will be coming during construction and that will be part of the committee.

Speaker: The reporting that's done through the committee that that prosper's convening right now. So granite has these programs in place to reach out, so that the goals for the workforce are met. And then during construction, that's when the numbers will show up.

Speaker: I think that's what I wanted to do a better job of tracking is the actual implementation of what would be, important for cobid guidelines and is to have the workforce actually be higher percentage than what we see of the owners. And so I just want to make sure that we're tracking that. Yeah okay. And in this body we don't get that feedback loop. So we'll have to figure out how to keep bringing that along if I may.

Speaker: Commissioner Ryan, thank you for that question. And that observation. I share this same concern, one of the things I hope to accomplish before my. Time wraps up is, at least bringing. A proposal to council to, make it more transparent in terms of how our cobid dollars are actually spent in real time. I have a couple of ideas out there. Frankly, I need to talk to the experts in the field to see how whether or not they hold water. But your the principle that you articulate, I think is important. You know, we kind of take a look at our cobid numbers at moments like this and then you sort of move on and maybe at the end of the project you get a report back, I think it would be great if we can get real time information about how those dollars hit the ground. I've talked to some of our, peer, frankly, governments around us, and I've seen some other. Strategies. I assume some strategies used,

which might, benefit Portland to, not ready to unveil anything today. But this is one of the things I'm thinking about, and these big projects give us that opportunity to go from pre-apprentice. Apprentice.

Speaker: Apprentice to journey. Yeah, yeah, yeah. You know, so I think it'd be great if we start looking at our data that's more pragmatic and actually sees results for equity.

Speaker: And I'll tell you, you know, one of the things I'd love and I'll just I've talked to my office staff about this. I think some jurisdictions have dashboards that show usage, who the demographic data on who's actually doing the work in real time, I believe that's pretty easy to do. I think the port might do something like that, I don't know how hard that would bring to the city, but if I can get it done before the end of this calendar year, I will.

Speaker: Okay. And then connecting the dots to earlier, and it's great to see more women in the trades, what I keep hearing is that there access to childcare is becoming a bigger, bigger issue. Closer to job sites. So if we could also get some updates on how we're working in partnership with those efforts. Thanks. Great

Speaker: Any other questions? Do we have public testimony on this report?

Speaker: No one signed up.

Speaker: All right. Great. Thank you for the presentation. I'll entertain a motion to accept the report. Commissioner Gonzalez moves. Can I get a second? Second? Commissioner Ryan seconds any further discussion? Seeing none. Please call the roll.

Speaker: Ryan, I Gonzalez maps.

Speaker: I want to thank the mayor, kathleen and rhonda. For supporting this project. It's important work. And also, I'd like to point out, we're supporting an

important project that comes out of, commissioner Rubio's portfolio. So this is, truly a team effort, which is why I'm glad to vote i.

Speaker: Rubio, today's actions represent another demonstration of steady progress to prepare the Broadway corridor for development and alignment with the vision set forth by our community partners. Also notably, it demonstrates continued productive collaboration among all our city bureaus with prosper Portland. And importantly, this project will also continue to deliver commitment on the values connected to Broadway corridor that is, that this investment should and will further inclusive economic growth by complying with the regional workforce equity agreement under the guidance of the labor management community oversight committee. So happy to vote. I Wheeler, I thank you.

Speaker: Well done. The report is accepted. Thank you. Next item please. 291 an emergency ordinance authorized contract with Dell Marketing LP to purchase Microsoft Office 365 licenses and Microsoft software as a service for three years, not to exceed \$12 million.

Speaker: Colleagues.

Speaker: This ordinance approves a contract with the Dell Corporation for Microsoft products to continue the City of Portland's subscription to the Office 365 suite of products. Our current agreement expires at the end of this month. Bureau of Technology Services Support Center Manager Brian Pirillo is here to walk us through the ordinance. Hey, Brian.

Speaker: Good morning. Thanks for having me here today, my name is Brian Perillo and I manage the tech support center, I'm here to talk to you today about our Microsoft contract, specifically today, we're seeking authorization to implement a new enterprise agreement with the Microsoft Corporation. As our current three

year contract ends on April 30th, 2024. The city of Portland has been using the office 365 suite since 2012. Through this new three year contract, the city of Portland will continue to subscribe to the office 365 solution. We are requesting \$12 million for these services over the next three years, as well as an option to extend for an additional three years, for a total of six years and \$24 million. While microsoft is the original provider of the solution, they do not allow for direct purchase and they require a value added reseller. Our var to make these purchases is the dell corporation software and services. Under this agreement are used to support the city's collaboration and productivity with tools such as outlook, word, powerpoint, teams, and a handful of others. Without reliable and adequate collaboration and productivity tools, city services would come to a halt. Our implementation of microsoft's office 365 solution has resulted in high availability of collaboration and productivity tools. For many city tasks, both on site as well as remote and hybrid. Funding will be provided by bureaus who currently use microsoft office 365 licenses for their staff. I'm happy to answer any questions that you have.

Speaker: Colleagues, any questions on this item. Do we have public testimony?

Speaker: No one signed up.

Speaker: All right. That means everybody's happy with the product. Thank you for your continued diligence. Please call the roll.

Speaker: Ryan I gonzales, hi, i. I Wheeler. Hi.

Speaker: The ordinance is adopted. Thanks. Brian thank you appreciate it 292 please. This is an nonemergency ordinance.

Speaker: Declare property located near the intersection of southeast morrison street and southeast 51st avenue as surplus property and authorize the bureau of transportation to dispose of the property for fair. Market value.

Speaker: Commissioner Mapps, thank you, mr. Mayor. Colleagues, this item comes to us from pbot, the bureau is seeking to dispose of a surplus property near the intersection of southeast morrison and southeast 51st avenue. Here's some background on this item. In 1948, pbot acquired a parcel of land from Multnomah County adjacent to glencoe elementary school. This parcel was a Remnant of a larger parcel, which was used to create a segment of southeast morrison street pbot has determined this property is no longer needed for a transportation use, which is why pbot is seeking council's approval to dispose of this property. Approval of this ordinance will allow a new property owner to develop this space. In addition, approving this ordinance will return this lot to the tax rolls and will eliminate the city's responsibility to maintain this property. This proposal has gone through the city's disposition process, which required both internal and external notifications. Prior to seeking council's approval today and now I will turn this presentation over to kevin boec, a right of way supervisor with pbot. Welcome, kevin.

Speaker: Thank you, commissioner Mapps, for introducing this ordinance, good afternoon, City Council. Thank you for bearing with me during this lunch hour. I know you guys are getting hungry, appreciate it again for the record, my name is kevin boec. I'm the right of way program supervisor at pbot here to discuss the property at the intersection of southeast morrison street and southeast 51st avenue to be declared as a surplus property.

Speaker: Next slide please. As commissioner Mapps mentioned, the city acquired the property from Multnomah County in 1948. However, at the time of sale, a restriction was placed on title that limited use to public benefit only. In 2022, Multnomah County relinquished this public benefit restriction via a quitclaim deed. Next slide please. So right now, the property I'm sorry, the property is within the mount tabor neighborhood. It is zoned residential 2,502.5. The zoning allows for

the development of a single family dwelling, which can include a single family home row, home duplex or triplex. And currently the site is a vacant grass lot and contains no encumbrances on title. Next slide please. Just some of the background again, the title was relinquished in 20 2022. That allowed the city now. To declare surplus and put on the market. Next slide please. The surplus property consists of a few steps. Pbot and city bureaus have already looked at this site and do not have an interest in keeping this property within the city portfolio. The city then physically posted signage on site, neighborhood mailers were were circulated and public comments were received per the mandatory 60 day external notification period. If City Council approves this action, pbot will solicit an independent appraisal and sell on the open market for fair market value. Next slide please. During the 60 day public comment period, pbot received 12 comments from public. A summary of those concerns, including stormwater drainage, loss of access, traffic, traffic and safety, construction, noise and loss of open space. Let me briefly address each one for stormwater drainage. There will not be any issue with stormwater during rain events. Bts maintains a stormwater detention and management facility adjacent to the site on glencoe elementary property. In addition, any future development would require stormwater mitigation from bs and bds. If necessary. Let me address the next one. Loss of access was another concern from southeast 52nd avenue to glencoe elementary. There's currently a five foot wide public alleyway north of the site, and a 25 foot wide public right of way with stairway access east of the site. These public rights of way do not change or go away. If there were development occurring, the city would acquire these rights of access be maintained. Next traffic and safety was another issue that was raised during morning pickup and afternoon drop off students. The area does not does have higher amounts of both foot and vehicular traffic along southeast morrison, there was concern about a future

driveway from a development we've confirmed with planning that any driveway built on the site. Would exit onto southeast morrison, and the need to be at least five feet setback away from the eastern property line for safety and code. Next construction noise was another concern that was brought up. While I cannot speculate on the exact decibels that would be emitted, the noise level would be that coming from a construction of a single family residence in an urban area, there's always residential construction going on in the city. This site just happens to be closer proximity to glencoe elementary. Finally, some comments voiced concerns over the loss of open space while losing any open space in urban setting is difficult for neighbors, I'd like to point out that mount tabor and lower hills park are in close proximity within the neighborhood itself. In addition, parks did not express any interest in retaining this parcel for park or recreational use, and I'd like to also point out that we received one letter of support from the glencoe elementary pto board president in support of the action, commissioners, next slide please.

Commissioners, thank you for your time. And considering the surplus property ordinance at this time, I can respond to any questions you may have. Very good.

Colleagues, any questions on this particular item?

Speaker: Commissioner ruby, did you have a question? Very good. Oh commissioner Ryan.

Speaker: Yeah, I know the area well next to glencoe. So that was great to hear that. The pta members sent in a letter of support. So did you do engagement with the glencoe community?

Speaker: We did. Again, I responded to all public comments that came in and tried to answer and relieve any concerns that they may had with this. And again, I corresponded with the pto president quite a bit.

Speaker: So was part of your engagement?

Speaker: Correct. Yes. Both the principal and superintendent were both engaged.

Thanks

Speaker: Very good. Do we have public testimony?

Speaker: No one signed up.

Speaker: All right.

Speaker: This is a first reading of a nonemergency ordinance. Moves to second reading. Item 293. Also a first reading of a non emergency ordinance.

Speaker: Declare property west of north marine drive as surplus property and authorize the bureau of transportation to dispose of the property for fair market value.

Speaker: Commissioner Mapps.

Speaker: Thank you, mr. Mayor, the cheat sheet on this one is it's another surplus property. Owned at pbot, again, this item comes to us from pbot. This ordinance authorizes pbot to sell a vacant parcel of land located within the north marine drive neighborhood. This parcel is zoned heavy industrial, here's some background on this item. In 1996, pbot acquired this, parcel of land for the construction of the north marine drive project. Pbot has determined that this property is no longer needed for transportation usages, which is why pbot seeks to dispose of this property, this proposal has gone through the city's disposition process. Approving this ordinance will allow a new property owner to develop the space. Approving this ordinance will also allow this property to return to the tax rolls, and will eliminate the city's responsibilities to maintain this space here, to tell us more about this project, we have kevin bullock, right of way agent with pbot, welcome back, kevin. Thank you.

Speaker: Commissioner Mapps, again, appreciate your time and hearing this ordinance, again, my name is kevin bullock. I'm the right away program supervisor

here at pbot, to discuss the proposed declaration of the property. Our 323437, which is located west of 3939 north marine drive as surplus property. Next slide please, here's an image showing the outline of the property located west of 3939 north marine drive to be declared surplus. This area is 16,325ft². Next slide please. This property is within the saint johns neighborhood. It is zoned. Heavy industrial. The zoning allows for the development of industrial uses only, such as manufacturing, warehouse, industrial service yards. Currently, the site is a vacant parking lot with one light pole. The site. The site is encumbered with a Portland general electric 15 foot wide electrical distribution easement, running along the eastern property boundary. Next slide please again for background. The city acquired the property in 1996 for the construction of the north marine drive project. Driveway access, either through easements or ownership, will be preserved for the adjacent owners at the time of sale. Pbot will reserve a ten foot wide easement to maintain the interior of the existing sound wall along north marine drive as well. Next slide please. As discussed before, the surplus property consists of a few steps. Pbot and city bureaus have already looked at the site and did not have an interest in keeping this property. With this in the city portfolio, the city then physically posted signage on site, neighborhood mailers were circulated, and public comments were received per the mandatory 60 day external notification period. If City Council approves this action, pbot will solicit an independent appraisal and sell the open market for fair market value. Next slide please. During the 60 day public comment period, pbot received only two comments from the public. A summary of the concerns are access for houseboats and truck tenants. As mentioned previously, these access will be maintained for both adjacent property owners coming through this shared driveway. Concerns over noise level from any future development and notification when the property is on the market. Next slide

please, commissioners, thank you again for your time and hearing this ordinance. I can respond to any questions you may have, any questions on this item.

Speaker: Public testimony.

Speaker: No one signed up.

Speaker: All right.

Speaker: Very good. This is a first reading of an emergency ordinance. It moves to second reading. 294.

Speaker: Thank you. Kevin.

Speaker: Oh 294 is the second reading. Yeah. Thanks, Kevin. Thank you.

Speaker: Accept a grant from Oregon department of environmental quality for zero emission fueling infrastructure at Stanton yard for \$432,837, is the second reading of an emergency ordinance.

Speaker: We've already heard a presentation and had opportunity for public testimony. Any further discussion on this item? Seeing none, please call the roll. Ryan Gonzalez I maps, I want to thank the state for supporting this important project. I vote yea yea. Rubio Wheeler.

Speaker: Hi. The ordinance is adopted 295 also a second reading authorized contract with Range Studio, LLC for the Wilkes Creek Headwaters Park project for an amount not to exceed \$1,234,719. Any further discussion? Seeing none, please call the roll Ryan I Gonzalez I Mapps.

Speaker: Hi yea. Rubio I Wheeler.

Speaker: Hi. The ordinance is adopted 296 the second reading approved findings to authorize an exemption to the competitive bidding requirements and authorize use of the alternative contracting method of construction manager general contractor for the Columbia Boulevard Wastewater Treatment Plant, Blower System and Building Improvements project for an estimated amount of \$26,300,000. Any

further discussion on this item? Seeing none, please call the roll. Ryan Ryan Gonzalez I yea. Rubio I Wheeler i. The ordinance is adopted. Last but not least 297 also a second reading authorized price agreements with jacobs engineering group, incorporated, leeway engineering solutions, llc, parametric incorporated, and wsp usa incorporated for professional engineering services for the large scale sewer rehabilitation program for \$16 million. Any further discussion? Seeing none, please call the roll.

Speaker: Ryan. Hi, gonzales. Hi Mapps I Rubio I Wheeler I the ordinance is adopted.

Speaker: We're adjourned till 2 p.m.

Portland City Council Meeting Closed Caption File

April 10, 2024 – 2:00 p.m.

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Speaker: Alright, good afternoon everybody. It's 2 pm. This is the April, the tenth, 2024 afternoon session of the Portland City Council.

Speaker: Please call the roll. Ryan. Gonzalez. Well, now hear from legal counsel on the rules of order and decorum.

Speaker: Well, now hear from legal counsel on the rules of order and decorum. Good afternoon.

Speaker: Good afternoon. Welcome to Portland City Council to testify before council in person or virtually. You must sign up in advance on the council agenda at [Portland.gov/council agenda](https://portland.gov/council-agenda). Information on engaging with City Council can be found on the council clerk's web page. The presiding officer preserves order and decorum during City Council meetings. The presiding officer determines the length of testimony. Individuals generally have three minutes to testify unless otherwise stated, a timer will indicate when your time is done. Disruptive conduct such as shouting, refusing to conclude your testimony when your time is up or interrupting others testimony or council deliberations will not be allowed. If you cause a disruption, a warning will be given. Further disruption will result in ejection from the meeting. Anyone who fails to leave once ejected is subject to arrest for trespass. Additionally, council may take a short recess and reconvene virtually. Your testimony today should address the matter being considered when testifying. State

your name for the record. Your address is not necessary. Disclose if you are a lobbyist. If you are representing an organization, please identify it. For testifiers joining virtually, please unmute yourself once the council clerk calls your name. Thank you.

Speaker: All right. Thank you very much for that item. 298 please. It's a report except understanding Portland tax increment finance district investment impacts 2000 through 2022 report. Colleagues I'm produce I'm pleased to co introduce this report with commissioner Rubio and hear an update on the impact of tax increment financing districts in Portland from the year 2000 to 2022. To provide context for this report, the city of Portland's fiscal year 20 2223 budget included a budget note directing the city budget office to place \$20 million of returning tax increment financing in a policy set aside for the Portland housing bureau. Prosper Portland and the Portland harbor remediation project, the same budget note as prosper Portland and the Portland housing bureau to undertake a third party evaluation of existing tif districts and share the report with City Council in advance of the fiscal year 2425. Budget adoption. The goal of the report is for City Council to better understand how outcomes aligned with the original intent of district creation in the changing demographics of the neighborhoods, and to compare and contrast outcomes with other parts of the city. This clear understanding of outcomes and impacts of tif districts is important as we consider whether and how to establish additional tif districts in east Portland and within our central city. City Council provided a provided the funding to pay for the analysis, which was completed by econorthwest. Before we hear from the consultant and the staff, I'd like to turn this over to commissioner Rubio to share her remarks.

Speaker: Commissioner Rubio, thank you, mayor. I'm pleased to introduce this report, which shares the results of tax increment finance district impact analyzes.

Although this work was started before I came to the community and economic development team, my team has been committed to seeing this process through with prosper Portland and the Portland housing bureau. This report answers many valuable questions from a quantitative perspective, such as how much private investment did tif leverage? How much? How many affordable housing units were created? How did tif impact the demographic makeup for our Portland neighborhoods? And it also shares key lessons learned from this analysis. We know that this report can't tell the full story of tif and neighborhood change in Portland, as that is very complicated and it's a longer analysis requiring a deeper qualitative analysis with a broad swath of Portlanders who felt the impact of the numbers, the good, the bad and all the things in between that we're about to hear this afternoon. But it does come at a valuable time, given that this council has directed prosper Portland and the Portland housing bureau to pursue potential new tif districts in east Portland and central city, we have an opportunity to look back and evaluate what things we want to continue and what things must change as we consider the potential for new tif districts. So I look forward to having econorthwest share the report and to hearing from staff how they are thinking about applying insight from this report and our recent experiences in the cully tif district process towards a new generation of tif districts in Portland. So i'll now turn it over to lorelei juntunen, and econorthwest, who is joined by kimberly branham, branam, executive director of prosper Portland, and michael bonacorsi, deputy director of the Portland housing bureau. Welcome.

Speaker: Let me just launch it. Go ahead. Okay. Hi, everybody. Thank you so much for having me here today. For the record, I'm lorelei johnson and I'm the president of econorthwest and was the lead author of this report. I really appreciate your time and energy today in waiting through the complexity of our findings, if you

want to advance to the can I advance my own slides? Sorry for the moment of no, I can't. Okay I will just tell you in that case. Thank you, this is something this is essentially a table of contents of the complete report, which I promise you, I am not going to go through all of these details today. I'm going to just try to pull out those pieces of the of information that feel like they're most relevant and have the best lessons learned for imagining what the future of tif might look like. But I did want to make sure it was clear that it was a pretty comprehensive look at the role that tif played in creating change inside of tif districts, and where and how those impacts were felt, both in the built environment and in the demographics of the city. The full report also includes some summaries of what each of the tif districts accomplished, their top priorities, investments that were completed, benchmarks, jobs added, etc. If you want to reference some of those individual components. But as I said, we're going to just go through sort of a potpourri of the most interesting findings in the presentation today. If you can advance. Thank you, we I want to make very clear the purpose of this research. It was very much a quantitative and statistical evaluation of how tif district investments, collectively, in aggregate, resulted in changes in demographics, jobs and wages. It is not a district by district program evaluation that would be a different kind of study. We focused on the years between 2020 22, and did not dig into the early days of tif implementation, and really, we did take a pretty deep look at the demographic changes, but those were not qualitative. And to really understand the full story, hearing the stories of the individuals that lived in these districts would be necessary. If you can advance. This is a map of the district that we studied. These are they were in place anytime between 2000 and 2022. It doesn't include the neighborhood prosperity initiative districts. We did not look at those, our charge here was to try to understand what would have happened had tif not been in place. So our statistical methodology to do that was to look at census

tracts that were inside of tif districts in 2000 and try to identify census tracts that were not in a tif district in 2000 that was similar in terms of the housing market conditions, demographics and zoning. So you'll hear me throughout this presentation referencing comparison areas. Those are those are those tracts that you might have imagined would have a similar set of outcomes, but did not have tif. Tif is just an investment tool. And throughout this presentation, i'll be talking about the fact that the investment tool was paired with a set of other kinds of changes zoning changes often increases in allowable densities. And really importantly, tif was often used as an investment tool for infrastructure projects, specifically really major infrastructure investments like the max streetcar, the eastbank esplanade, the aerial tram. It's almost impossible to fully disentangle the dollar investment from the outcome of the collective set of policy changes and investments that were made. So keep that in mind as we go through. The next slide gives you a big overview of the kind of major outcomes in the collective set of tif districts relative to comparison areas. These are places where tif more or less did what we expected that it would do potentially. I feel like it was a pretty strong magnitude. The magnitude of the impact was maybe larger than expected, but it's not at all surprising to know that there were a lot of there was a lot of development that occurred in tif districts, six times the amount of total square footage of development, 25 times the amount of higher density development, four times the growth rate in housing production, 5300 units of tif funded affordable housing, 46% of all of the units that are affordable in the city are in tif districts. 24,000 more jobs, which generally had higher wages, and most of the tif districts. When you look at their intended policy purposes, these outcomes are in line with those outcomes. Next slide gets a little bit into what you might call return on investment. And what this graph is showing is the smaller bars that are kind of that pink salmon color is

the amount of public money that went in. And the purple bars, the amount of private dollars that were invested in these areas, areas, when measured in construction permit valuation, the city's return on investment was for every \$1 of tif investment that came from the city's portion of the overall tax rate, \$15 in private investment occurred. And just remember that the city is one third of the total amount of tif dollars that were invested because it includes the dollars from the entire tax rate, which includes other districts as well. A little bit of difference if you look across them, interstate, north macadam, central, east side outperforming some of the other areas. That's primarily a denominator situation. There was a lot more opportunity for investment and development in those areas than in some of the others. And also the market conditions were much stronger. Those are generally kind of closer in areas. The next slide looks more deeply at affordable housing production. Remember from that big the big overview at the beginning that we had about four times as much market rate production in these areas as comparison areas. Here we're looking just at rent restricted affordable units that were produced. Just everything in the kind of darker green and yellow below that black line in the middle had some tif funding in it, not necessarily 100% funded by tif, but tif leveraged other resources to produce those units. And everything above that were, came from other funding sources or preexisted. So we saw about 1000 units in comparison areas. And about 5600 units in in tif areas, so that by the time we got to 20, 20, all 47% of all affordable housing was in these areas. If we can move on to the next slide, we wanted to spend some time trying to disentangle the really complicated interaction of tif investments with rent and housing price changes, as we do know, obviously, that during this time period, rents went up citywide and they did go up faster in tif districts than in areas outside of tif districts. When you measure it on average, that is not surprising in any way because there's

a lot of new construction that happened in tif districts and new construction always comes on at the top of the market. And just if you just went that deep, only that would support a very kind of typical narrative, that new construction drives rent up. But we wanted to understand kind of a more granular look at how those changes were felt in older buildings that preexisted our study period, so that already we're on the ground before the year 2000. And this map is helping us to disentangle that. If you look at the kind of hexagonal areas that are in yellow, those are places where there was a lot of new construction relative to other areas. But there were also lower rent growth that was experienced in those older buildings that preexisted when our study period started. The blue is the inverse of that. Those are places where there was high rent growth, but low or no new rental construction. So the pattern that you can see here is that while, yes, when measured on average rent increased faster in tif districts, there was an insulating effect that was felt on that existing development and rent actually increased more slowly in those areas. So that new construction is a really important part of the solution. If what you care about is housing stability, I also want to make sure it's clear we looked at how rent changed relative to where those 5600 new affordable units were built, no impact. There was no impact of those affordable units on market rate, rent growth. If you want to hit the next slide, move on from that, looking at how tif districts performed, when if your concern is small businesses, and here I will say if you look down at the bottom, you can see the comparison area growth and just sort of scan across how small businesses changed in each of the tif districts. Some places outperformed, but for the most part it was kind of on par with or underperforming comparison areas, there's a lesson to be learned here, and I think some intention to be brought to new tif districts if additional districts are formed, we know that tif can only be used for capital expenses. So you can you can help to build some buildings. You can

help to improve some infrastructure around small businesses. But if you really want to provide the kind of supports that are necessary to enable small business growth, you need kind of wrap around programing and other kinds of policy supports to help to make that happen, I think that's an important lesson learned. But there is an important data caveat here, which is that most most of these areas actually encompass existing business districts in the city. So there were quite a few existing small businesses in 2000 already. So part of what you might be seeing here is, is really just a denominator issue, where there were quite a few already, so there was growth that happened, but it wasn't. There wasn't the opportunity for more growth. Okay, I'm going to keep moving. We need to talk about how tif impacted the people that lived in these communities. I mentioned earlier that we tried to identify census tracks that were statistically similar in the year 2000 on demographic characteristics. It was not possible for us to match on concentration of bipoc populations because so much of the bipoc population was in tif districts in the year 2000. So when we talk about all of this change that was happening, all of the increase in development, all the infrastructure change, that was very much felt by Portland's bipoc populations over this time period. And we know that there was a decline in the concentration of bipoc populations. That's the bar charts that you see on the left side of the slide, 53% bipoc to 42% and 25, black to 13% black in interstate. There was also a nominal change. And so what the map on the right is showing is where there was a decline in the bipoc population over this time period, I know that this is something that prosper is aware of and has been tracking on and obviously lessons to be learned here about paying attention to who is impacted by the change that happens with tif districts when new ones are formed, I want to talk a little bit about housing precarity on the next slide, let me first just very briefly orient you to how to read this chart. It's a it's a fairly complex story, so what we're

seeing is in orange places where we saw growth that was slower than comparison areas, and then blue being areas where there was more or faster growth. And I really just want to talk about a few of the columns here, the two on the left, rent and rate of cost burdening. As I said earlier, rent did increase across the city during this time period and it increased faster in most tif districts with just a few exceptions. Central east side, north and south park blocks and interstate, so that's not that's not a surprise. River district grew more slowly than comparison areas on rent primarily because of the amount of investment in affordable housing that happened there. The cost burden rate, though, which is again, as a reminder, people who are spending more than 30% of their take home pay on their housing cost burden rate actually went up more slowly in this area than in comparison areas. And that's a pretty consistent story across most of the tif districts, how those two things can be true at the same time requires just a little a little bit of unpacking, on the cost burden rate, there were three things that were happening. First of all, there was a lot of affordable housing production. And those units people have to rent qualify to be able to get into so they're not cost burdened. There's also a lot of market rate construction. And those units you have a similar sort of process where you have to qualify for. You have to show that you have sufficient income in order to be able to receive a lease. So many of the people who were moving into these districts new were moving in under conditions where they would not be cost burdened. The other thing that was happening is that insulating effect that I talked about earlier, that existing building rents grew more slowly in tif districts than they did in other places. So that's how even though rent went up faster in tif districts as a whole, you can still see a cost burdening rate that is stabilizing or increasing more slowly than in other areas. The other column I really want to hit on is the change in bipoc share. If you look at the top, you can see that across all tif districts, when you

look at them in aggregate, it grew more slowly. The change in bipoc share was grew more slowly than in comparison areas driven entirely by interstate corridor, because in all of the other tif districts, the new folks who were moving into those areas were more diverse than the ones that were there in the year 2000. Makes sense. All right. Almost done, if we can move to we move to the next. Yes. This is a big overview of a lot of this. I've already hit on. But just to summarize it all in one place, you read this chart the same way you read the other one, but we had to add in a black column because the magnitude of impact on private investment per acre was so relatively large. This is just simply a summary pointing out that, for the most part, housing production, private investment, with some exceptions, job growth, rent market rate, housing production and affordable housing all all grew faster in tif districts than in comparison areas. And then a little bit more complicated story, which we already talked about with the change in bipoc share and in small businesses. So that was a lot of data, what are the takeaways from all of that? If you can advance to the next slide, when we start to think about the potential for new tif districts, the first is to pay more attention to the complicated interaction between tif investments and housing production. We know that we need new housing production to address the housing crisis, and we need that production to be both market rate and affordable. And tif is really good at this. We need that to be part of the story. But we also need to keep in mind that that rate of change affects the people who are living in those districts, and make sure that we are paying attention to reducing systemic barriers to economic opportunity, as all of that change is being brought forward. So continuing to pay attention to who is impacted, continuing to build on community trust. This is a space where prosper is already investing a lot of intention. I think cully is a great example of that, I will, I will add, perhaps this is selfish as someone who's a researcher, but I think it's also helpful for transparency

and community trust that just doing a better job of tracking where the money is flowing and how the dollars are being used to create the changes, will help to show the three line between public intent and goals and outcomes, and make it easier to do an evaluation like this in the future. And then the last is to just remember the obvious point that that tif by itself is just it's just a dollar source. It's just an investment source. And that to achieve almost all of these sort of complicated public priorities, we really need to be thinking about it as just one among many tools that can be used to help to increase homeownership, achieve, increase wealth, make more jobs, grow all of the kinds of things that we think we might want to do in these areas. And that tiff is a really useful tool for leveraging state and federal dollars. And thinking about it that way as a way to help to make sure that we're bringing in all of the resources that are possible and creating a really comprehensive toolkit to achieve community development in tif districts. So i'll pause and hand it over to kimberly to go through some additional slides. Mine is just on testing.

Speaker: Yep. It's just on. Okay. Sorry, good afternoon, mayor Wheeler. And commissioners, for the record, I'm kimberly branam. I'm executive director at prosper Portland, and I want to start by appreciating lorelei and the entire econorthwest team, who, when you see the full report, you'll understand the degree of analysis that they pulled together. I also want to appreciate our colleagues at the Portland housing bureau, and my team at prosper Portland, who, you know, in order to put this report together, it did require a lot of conversation and looking in our historic documentation. So really huge appreciation to everyone who worked on it to get us here today. So michael and I are going to take just a few more minutes to address some of the questions that you asked us when we were doing briefings, particularly around, the financial return on investment of tax

increment finance and this question of how the findings that we've learned through the report and through our work together can influence future tax increment. Finance district. So I'm going to touch briefly on the growth of assessed value in tax increment finance districts and share how we might apply some of those lessons learned. And then Michael is going to speak to the role of TIF in supporting homeownership and housing production, and next steps in the TIF exploration process. So next slide, please. All right. There's a lot of data on this slide. And so I'm going to go through it methodically. The data in this graph is attempting to get at this question that we've heard a number of times, which is which districts were most and least successful in growing the tax base. And how did the growth of property taxes in TIF districts compare to the rest of the city? So the green bars represent the average annual growth rate of real property assessed value between 2001 and 2020. So on the right hand side, those kind of standalone two, bars that you see there, you see that the average annual growth rate per acre inside of tax increment finance districts was about 9, annualized growth compared to about 6% outside of tax increment finance districts. The blue bars represent the total change in assessed value per acre during the same time period. So again, on the right hand side, the average growth within a tax increment finance district was about \$2.1 million in assessed value, compared to about \$780,000 per acre outside of TIF districts. What you see on this report is that North Macadam and the River districts, which helps to spur development, as you're all aware, in industrial brownfields and underutilized central city land, produced a very large change in taxable assessed value per acre. So \$9,000,011 million each over the 20 years. And you'll note that the South Park blocks had the largest overall change in assessed value per acre of \$14.5 million, but the rate of change was slightly lower because the basis was higher. In 2000, the other districts had annual growth rates and nominal growth

that was more in line with the rest of the city. So one of the questions in line with what Lorelei or one of the ways to think about this is, but for tax increment finance, how would our assessed values have grown, and so one of the ways to think about this is if those areas within TIF districts grew at the same rate as what we saw outside of TIF districts, then we estimate that the real property value for the city would have been about \$1.67 billion in 2020, instead of what it is, what it was in 2020, which is \$2.65 billion. So the difference of nearly \$1 billion in assessed value creates annually approximately \$96 million per year in property taxes that are going to the city, the county and the state school fund and other taxing jurisdictions. We estimate that within this time period, the city invested, invested approximately \$210 million or for, you know, for went \$210 million, and that it will take until about 2028 to recoup that investment rate, and that, so from a purely financial perspective, basically the city kind of breaks even in terms of the resources that were invested or for Oregon that would have gone to the city in 2028. And the return on investment by 2030 is about 14. And by 2035 is about 60. Now there's a lot of different ways that you can do this analysis. And so I want to just note that this was, one way of looking at it. And we're happy to continue to dig into this question, but wanted to be responsive to something that's been brought up. A number of times. All right. Let's go to the next slide, please. So we want to move on to really the central question of what we learned and how we're applying those lessons learned to future tax increment finance districts. So the report highlights that TIF remains an important tool for community development alongside land use and regulatory frameworks. And it is one that can catalyze job growth and increase housing production when it's used intentionally and when real estate markets are responsive, it can be an effective tool for inclusive growth. When TIF is deployed alongside land use and other regulatory frameworks without sufficient attention to

the needs of vulnerable community members, however, it can exacerbate economic disparities and gentrified neighborhoods. We know that, especially in the first ten years of the report, the smart, growth focused approach did not adequately address crucial aspects like building affordable housing at scale or the systemic barriers of racism that affect property ownership, business ownership, access to capital, and intergenerational wealth. So consequently, we know that especially in the interstate corridor, black residents and other people of color faced greater levels of displacement and did not benefit equitably from the investments that were made in the past decade. The city of Portland, prosper Portland, and the Portland housing bureau have accordingly shifted our approach, working alongside community partners, we've emphasized housing, security and inclusive growth through the affordable housing set aside and housing preference policy application of an inclusive development framework, and community centered initiatives like the north northeast housing plan and the north northeast community development action plan. Next slide please. Collaborations with cully partners on the development of the new cully tif district is a clear example of how lessons learned from previous tif districts can inform the next generation of tif districts. That deliberate process and community centered approach resulted in a tif district model that's grounded in community stabilization and inclusive growth, and it's inspiring current exploratory conversations in east Portland and the central city. The co-created vision, priorities, and goals. The early focus on people who are vulnerable to displacement, and the accountability structure seeks to reduce systemic barriers and to increase community trust. All in line with the findings highlighted by econorthwest. Next slide, please. The six principles that are listed here seeks to really synthesize the cully stabilization model, while emphasizing the critical need to produce housing for a full range of income levels, and to support

economic activity to advance inclusive growth. Success in the endeavors requires a layering of financial and policy tools and a collaborative approach across the public, private, and community sectors. So as we engage with stakeholders in east Portland and the central city and ultimately come to City Council for adoption or updates later this fall, we offer these key principles as considerations for any future tax increment finance districts. Thank you.

Speaker: Mayor Wheeler, commissioners michael bonaccorsi, interim deputy director for the Portland housing bureau. Next slide, please. I want to talk to you this afternoon a little bit about housing production related to tif, when we think about the housing needs analysis that council recently adopted and just how much affordable housing is needed every year in order to first catch up and then ultimately to meet our community needs in the long term, the significance of the 8500 units of affordable housing produced, since 2000 can't be understood, dated. And it's also, very important to remember that tif, can support the preservation of our community's existing portfolio as it ages. Since 2015, the set aside policy of 45, for affordable housing in tif districts ensures there's a strong baseline commitment. And we do have the ability to calibrate that based on the specific needs of a district. Important in the interstate district. The set aside is 70% for affordable housing. As we've done the individual briefings for all of you, we've understandably heard a lot of concern and questions about, how communities of color and specifically the black community were displaced, because of the way the interstate tif was implemented. And, commissioner Mapps asked whether efforts such as the north northeast action plan and preference policy have been able to reverse the trend of population decline for those groups. And the answer overall is that it hasn't really, the scale of impact on the market was much bigger than we can now impact at a programmatic level, but it does point to the importance of applying the lessons. As

kimberly was talking about, as we pursue new tif districts, with that said, I do have some good news about what we have been able to do with the resources available to us. And I want to be clear that this does not suggest undoing the harm that has been done, but it is important that we do what we can in the present. So in the interstate tif district, overall, the population, about 42% of the households identify as communities of color and 13% as black in the affordable housing developments where we have applied the north northeast preference policy, 86% identify as bipoc and 67% identify as black. So a dramatic difference between the general population and those that we are specifically supporting with our housing resources, our home repair loans and grants in the district have assisted over 1000 households from 2015 to 2022, meaning we're helping existing homeowners make critical repairs that allow them to stay in north and northeast and have the households assisted. 85% identify as bipoc and 55% as black. And then finally, we've helped 127 households become homeowners in the district, 96% of those homeowners home owners identify as bipoc and 86% as black. And fb staff are working hard every day to increase those numbers. And then to close out the slide, you'll see the final bullet calls out that tif funds can also support the development of middle income housing, which is also indicated as a need in the housing needs analysis. Next slide please. So as we look towards next steps in the tif exploration process, you'll see that we're getting closer to some decision points in line with the direction we received from you last June. We're supporting the work of the east Portland and central city steering committees and working groups to identify priorities, geographic boundaries, and project lists. Those groups are leading community engagement and helping to draft plan components with draft plans for any new tif districts anticipated to be largely complete by the summer and council action in the fall, the prosper Portland board is expected to formally launch the approval process in

September, with taxing jurisdiction coordination and a planning commission hearing to follow in anticipation of City Council action in November. If approved, tif resources would become available, in the beginning of fiscal year 2526. That concludes our presentation. Thank you for your time, and we welcome your questions.

Speaker: Who wants to start commissioner Gonzalez? You're up.

Speaker: Do we have public testimony? Yeah, probably.

Speaker: Do we?

Speaker: We have one person signed up.

Speaker: Let's hear them out. And then if they need to leave, they can leave robert butler, mister butler welcome back, sir. Thank you for being here robert.

Speaker: Hold that thought.

Speaker: All right. We take all all the. Thank you that you're here. This is your second time in a week. Thank you for doing it.

Speaker: So, I'm not so sure we've learned anything from this except that we have a pretty good record going forward. I think we're pretty stupid. The record is that, brick and mortar has been good. The idea that, spend money on the harm done by displacement is a little bit frivolous. I think the human being is very good at displacement. We're very adaptable. And spending money about. It's prevent that is I can't I can't put it in equation for spending money, as you know, tiff, money goes to everything. But education. It steals from education. A third of our property taxes go to education, except tif. It's zero. I don't like that imbalance. And you know that I've testified about that before that that should stop anyway. I'm not I haven't succeeded at that have i? So the river district is a disaster, right? So, we're at 489 million. That's the largest. So far that we've spent on the district. We really suck in the river district, now we're going to spend that much money on cully, which is this

tiny little thing with, maybe imbalance in population in the fruit salad isn't quite as perfectly evenly as we want. I don't know, or spent 400 billion there. 400 million there. That's obscene. And it makes me think we have learned nothing from this. But let me give you an example of the winner. The winner on this show is the smallest investment we ever made. And what is it? Airport way, airport way, \$73 million. That connected the airport with it. Economy that desperately needs airport for commerce. We weren't there. Airport way. That project did it for \$73 million. Created the largest industrial section of its kind in the united states as one unit, columbia corridor association, which I was a founder of, by the way. So we ended up only we had 111 million to spend. We only spent 73. That is a huge success. The cully is the biggest disaster. No known to mankind. I'm sorry, but it's a complete disaster. Someday we'll have the chart up about how cully compares with the other in terms of housing. In fact, why did lents only have 48 affordable housing units built? 48 according to this report? I don't know.

Speaker: So.

Speaker: So, I think there's a lot to learn, but we've forgotten a lot more. We can do better. Thank you, robert, first of all, again, now that I've heard your testimony again, thank you. Because I think you're asking fair questions and you're you're you're teeing up a question I'm going to ask, which is what what are the specific elements of success? Why are some of these districts so successful? And some of them, quite frankly, are flops? We need to know the answer to that question. You're calling it out, I agree, we look where we hurt the most and try and do the best leverage. We can with our money, with our tif money.

Speaker: I would, I would argue, focus matters like you have to have a very clear objective for each district in advance in terms of what you want those incremental investments to support and have a clear understanding of why you want those

investments supported. I would just make one comment and then i'll shut up, because we've had a long day and we've still got a long day ahead of us. I hope I can make a quick response. So I want people to remember that these aren't investments being taken from one place that could have gone somewhere else. These are, but for investments. So the tax valuation is effectively frozen as these districts are created. And that is the incremental tax created as a result of the investments of the district that then go back into the district. And either they're successful as you point out, airport way was I agree with you to really good bang for the buck. Fabulous roi. Whereas others may be the investments didn't go into this, it wasn't thought out as clearly or the goals weren't as specific. So any rate, and I give you an example. Sure. Yeah.

Speaker: North mcadam, did we reach our goals in north mcadam. Were you around then?

Speaker: No, I was a long time, but not I was I was there was a big deal okay.

Speaker: North of mcadam. The promise the promise 16,000 jobs research and development. That was the promise we had congressman from our congressman from Oregon, from it came here and they said the same thing, 16,000 jobs. Think of it. It's a housing project, not even affordable. That is an unaffordable housing project. So some of our problem is, is that we don't have reality. When we think of what solutions are and we pretend like you put a lot of money there, we'll have research and development jobs. We didn't get any hardly. Probably it happens. The centennial mill project. Another one. Absolute insanity. The union, the us post office project is a market disaster. Portland cannot support that project. It's going to die. The same with cully. Cully. Can't you tear down those buildings, create that commercial property? Think you're going to get jobs? You're not. You're not going

to get anything. You're going to get blight. After you tear down the school district building, I give up.

Speaker: No. And I again, I appreciate your being here. Thank you. You're welcome, your contribution, commissioner yea. Gonzalez, you're up first, then, commissioner Mapps.

Speaker: I just wanted to share my appreciation for the roi, summary. Was that a compound number, or was that an aggregate number? Over the ten years, you cited some returns by district, but, the growth rate was so compounded.

Speaker: Right. So 6% every year or 9% every year.

Speaker: So when you were comparing the return of various districts, you were quoting us a that that was a compounded number, we quoted two. So the if we were to go back to it, the green bar graph is the growth rate. So annualized compound growth rate. And then the blue graph is the is the absolute number. So we wanted to show both, so i'll just say north macadam. So north macadam had over 14% year over year growth of assessed value, between 2000 and 2020. And the actual increase was I'm looking at the numbers somewhere around \$11 million.

Speaker: Okay. Okay a follow so and so in your conclusionary remarks, you were quoting rates. You were harkening back to this graph, which is showing us the annualized. I just couldn't follow the trend. That's right. So that's right.

Speaker: So, commissioner, we were trying to say you know, the but for and I think this is a conservative approach because but for the public private partnership in river district or north macadam there wouldn't have been the infrastructure to make development at all. So we were but we were assuming, let's just say that the growth rate was about 6% within all of the tif districts, and so that difference is what we accounted for as the return to the city that that growth and assessed value between the 6% on an annualized basis and the 9% is what we anticipated is was

the return on, and we compared that to the fOregone revenue, and so that was the analysis.

Speaker: Got it. And just to buttress off a point the mayor was making, I mean, there is an opportunity cost, right? When we institute a tif district, we're forgoing a certain amount of tax revenue for some period of time. So we're really trying to figure out on the tail whether the increase in assessed value, just that's the kind of the question we're trying to tackle here is, does that fOregone tax revenue for some period of time justify the increased assessed value on the tail.

Speaker: Yeah okay. And I would add that, you know, there are a lot of measures of success or failure that I think we could use. So one of them would be financial. And certainly when tax increment finance as a tool was created, I think there was a lot of sense that this was intended to increase property taxes at a time where cities were seeing a significant decline, that increase and particularly post measure five where you have, you know, there's such a difference between assessed value and real market value, i, we think of that as being one of the factors, that, that we look at in terms of the financial impact to property taxes and obviously something that City Council and our taxing jurisdictions are very, very keenly aware of, and other, impacts like the development of affordable housing and also come into play as well.

Speaker: Well, in the connection with transportation, I think mr. Butler was getting at some of that, but that's also an interesting one. How we capture the value add, transportation is always more complicated when you're thinking about it that way, just a general comment, on these type of reports, I'm always interested in small business employment growth, but I'm also interested in total employment growth. And I think there there's, interest in each of those. So that's just a personal request. As much as we can to see, see both, because I there's an element of caring about both sides of that equation. Can we go to the housing precarity? Slide 11. You know,

we talked a lot about this in the briefing, but I just want to integrate a couple points and then and then maybe get to the conclusions drawn. So is it fair to say we found increase in diversity in the aggregate or across the board more often than not in tif districts? I'm just looking at the change in bipoc share in the various tif districts. And when I say diverse, you know, the makeup of the neighborhood, the neighborhoods more often become more diverse after a tif district. And they were before. That's that is true if you exclude interstate, when you look at it in aggregate, that is no longer true.

Speaker: And what's driving that is actually that I mean, just that's where most of the new development is located. Most of the new housing units, and people who are moving into the city are more diverse than the population that lives here now. So that's what's driving that. But yes, your statement is correct. If you exclude interstate, got it.

Speaker: Well, even including interstate, so maybe not in the aggregate, but there are more districts that we saw increase in diversity than we saw a decline in diversity after tif district was instituted. True. And where I'm so this this gets out one of the accepted narratives around urban renewal that, you know, we kind of talk through in our briefing is, you know, at least recently, tif districts. We're seeing I mean, you're we're seeing more diversity post institution of a tif district and than before. And i, I it's just more it's an interesting, I don't know if it's anomaly but reality there, and I guess that leads to my question on your conclusions. There's a statement that we need to do a better job of engaging among disadvantaged groups, you know, in districts that are targeted. And I can accept that as a general, you know, proposition. But are the districts that increase diversity? Were they did they do a better job of outreach to disadvantaged groups relative to interstate

corridor? I would, well, you can speak to the programmatic aspects of it better better than I can.

Speaker: But again, what's driving it is who's moving in, not what was happening with the folks who were there to begin with. Right. And the early years of implementing interstate didn't pay sufficient attention to the fact that there was a lot of change that was happening, and that rents were increasing across all of these districts, with only a few exceptions, rent does continue to increase in tif districts, and that is affecting people who are at the lowest end of the income spectrum, who are disproportionately people of color. So I think the point that's made around paying attention to that dynamic is really about recognizing that there are systemic barriers to opportunity that preexist the policy and investment changes that come along with tif, and making sure that you're doing what's possible to remove those barriers to opportunity so that as the district changes, as new good things come in, everybody can experience it and benefit from it.

Speaker: Well, I think the challenge when we develop implementation plans for tif districts, right. The, you know, the majority of districts experienced increased diversity once the tif district is instituted. And there's a conclusion drawn that we have to do a better job of engaging with folks that are there on the front end as we're developing a tif vision. And I'm all I'm calling out is that I'm not sure we've been presented with evidence that the districts that became more diverse did any better job at doing that up front outreach than the ones that didn't experience, increased diversity. And, you know, so just as we're thinking about going forward, how we do these things successfully, if driving diversity and protecting diversity is our goal, I'm not sure you've really presented us that the conclusion supports the way to address that, I might add that in in my mind, I think of tif districts in in really two buckets, the central city tax increment finance districts, which you see in the

top. So, a number of those actually predate 2000, but a lot of them were built, you know, were established, with a clear alignment to the central city plan, right. That that you saw and a lot of that was around creating infill residential. Right? We had an imbalance of uses in those days. Now we think of the pearl district and other places as having a really strong balance. But that wasn't the case in the 90s when people were imagining, having a, you know, increased amount of residents in our central city. And so, the overarching objective in these areas was to bring in population. These weren't centers where you had significant people, a significant number of people who were living in there. And this is a broad brush stroke. But I just kind of conceptually by contrast, when, prosper Portland and the housing bureau are predecessors, were looking at creating new tax increment finance districts in interstate and gateway and lents. These were really neighborhood focused tax increment finance districts. And if you look back and see about the goals for those districts, a lot of them were focused on supporting long time residents at the same time as delivering on key catalytic infrastructure projects and delivering on the new neighborhood plans or adopted neighborhood plans. So in interstate, that was the albina plan that was adopted in the 1990s. There was zoning that was associated and changed in the 90s. And then the tif plan came in 2000. And so, you know, same kind of similar but distinct story for gateway and lents. I think when we talk to people in community, we know that the, you know, some some of what we know is that people who were displaced from interstate, then moved into gateway in lents. And so from the from their perspectives, and I think as organizations, from our perspectives, having people be displaced from a place where they felt deep connection into places where they don't feel that level of connection and are displaced. While it might numerically increase the percentage of people of color, and if that's always a good thing in a neighborhood to have

increased diversity, if it's coming because people are moving out of a place that they have long, held connections to, then that there's basically a relationship between those two. So, you know, I think in general it is very challenging to make like each each district has its own story, and so it's hard to, to make sweeping or to, to state that one thing is true across all tif districts, but just wanted to add that, yeah, I think, I think the difference in interstate, what's a substantial residential population there?

Speaker: I think that is a key difference. That's that's worth noting. I just again, some of what you presented actually cuts against some of the narratives around the history of urban renewal, just looking at the number of districts within certain increased diversity. I found it interesting. So thank you. I'm good for now, mr. Mayor, if I may, commissioner Mapps, thank you very much.

Speaker: First, I want to say I really appreciate this report. I think it's excellent work. I think if you juxtapose, the report before us today with some of the research I think prosper put out in 2019, you can really start to develop some intuition, behind how these districts, the impact these districts have on the real world, we have a full house behind you. And I want to respect the people who came in here. I suspect, to testify in the next item. So I'm going to try to keep my comments short, first, I want to circle back to a conversation that you were having with commissioner Gonzalez. Can we pull up that slide, which I think was a summary slide on, impacts of, of tif districts, if we pull it up on the screen so people at home could follow through. Okay. So you just had a dialog with commissioner Gonzalez about how, tif districts got, diversity did not decrease in tif districts, I think. Was this the summer conversation that that I think I heard, and so it would help me if let's go to the top row of this chart where it says all tif districts and then let's go over to the column that says change in bipoc share for, which is colored sort of orange, which is which

the legend tells us, grew more slowly compared to other areas. So help me help us unpack that. And I think I have some intuition in terms of what's going on here. We just had like a ten minute conversation based on the premise that diversity and tif districts actually increased, compared to other spaces. But I think your summary chart actually shows something quite different. Yeah.

Speaker: Commissioner Mapps can I clarify one thing? It came out of our previous discussion, so I want to fairly summarize what we my conclusion looking at is this was that in more tif districts, you had increase in diversity than decreased. Yeah but I think there a point was interstate corridor had such a substantial unique impact that even if you the rest of your districts got more diverse, the difference in interstate kind of outweighs it in the aggregate, absolutely. And I know commissioner Gonzalez is a sophisticated data reader. I wanted to make sure folks watching at home weren't a little bit confused in terms of what's going on, but I do think that the fact that we have some tension between, how this data is summarized, and how it's interpreted points to a larger problem, or a larger. Well yeah, i'll say it's a problem or something I'm thinking about in the context of this particular report, and that is there's tremendous variation in outcome across, different tif districts. And as I don't want to get into it now, especially with, a bunch of people, eager to talk about something else. So I do have some methodological questions about, what we're comparing to. It seems like we've we've kind of lumped all tif districts into a bucket and are comparing it to what a similar bucket would look like, I almost think that when I look at the real results, it seems like doing a matching between individual districts, tif districts and maybe non tif districts that share similar demographics might be helpful here, but I don't know. And frankly, I haven't spent enough time, really thinking through what happened here. But I think that we can all agree that there's a wide range of variation across tif districts. And

that's interesting, to me, and it's actually potentially, I think, helpful for us to think about, the impact of this programs like this might have, as we move forward into the future. So so for example, I think currently we have, we're talking about maybe two different, creating two new tif districts, maybe one in cully and one downtown, or maybe cully seems to be relatively sophisticated in its in terms of our outreach and whatnot. Is that correct, right. So City Council approved the cully tax increment finance district. So that's in its first year currently, right now there are discussions of up to three new tax increment finance districts in east Portland and up to well, up to four new tax increment finance district in the central city.

Speaker: Okay. Well, thank you. And it's just, that's helpful. And I don't want to pick on cully, but I think that's the one probably, this council and the rest of Portland is most familiar with, of the tif districts that we have, that we have in this chart right here. Which one does cully look most like? Do you have any intuition around that, I think it looks somewhere between interstate and lents would be my guess.

Speaker: Interstate and lents. Yeah, that's fair. Okay, well, that's helpful to me. You know, i, I think given the data that we have, I know tif districts make a difference. I think depending on, particular demographic, dynamics, we can, these districts have different impacts on different in different areas. I will just encourage, prosper as you move forward to really think about, and maybe do a more sophisticated analysis of our expected outcomes, specifically in cully and the other districts that we're looking at. We know in some cases these, this, this could be, good. But if it, you know, if cully looks like interstate eight, you know, one thing that we found in interstate is it was more likely, grow more slowly, you know, it seems like we have a mix of outcomes here. Let's let's put it that way. And certainly as we if we have another discussion in this council, about future districts, I hope that we can maybe draw out some, some lessons learned, or at least some intuitions and hypotheses

based on, maybe matching it to what we've seen in the past, if that makes sense. Does it, and, I also want to. Well actually, I'll say my comment, my other comments for our final vote, commissioner.

Speaker: Right.

Speaker: Thanks. Should have gone on a walk between meetings anyway, my, history with understanding tif is humbling. First it was hanging out in the pearl district before it looked like this, when I knew artists, friends that, had warehouses and they were really cheap and we had a lot of fun late at night, and I missed that. And then, on the school board, I was upset about tif because of what, the person earlier testified. And then, since I've been on this council, I've just, I the more I understand it, the more I more questions. I have to try to really, say anything that's worth listening to. And sometimes that's what I experience when we have tif conversations is I know everyone's doing the best they can, but sometimes I struggle to see what's concrete and what what we really are trying to accomplish here. And so, you know, at one time I knew it was an economic stimulus or stimulation, and it did that, I'd say in the pearl there when we, rightly so, acknowledged the displacement that I hinted to earlier and, and so now we're trying to respond and keep editing. And so it's more of an economic justice aspiration. And so when I look at the section on about what did we learn off script. Don't look at any notes. What have we learned and what will we do. So we actually start to see outcomes that are better for small businesses, which was earlier today. And I'm trying to connect those two. And I think when I look through this, I struggled to find anything that was positive for small businesses. But maybe again, I'm not reading this right. What's that? So don't look at your notes. Just have a conversation. What if we learn? What are we going to do that's different going forward? Any thoughts on that? Do you mean.

Speaker: Sure, commissioner, I think, a couple of non-no notes based conversational, reactions are, as it was mentioned, you know, I think there are goals and outcomes that we can aspire to that translate across tif districts. But it's very important to recognize the neighborhood characteristics in each of them. And you know, sort of respond accordingly. And I think what folks heard in cully, for example, was they really wanted to make sure that, folks who live there and small businesses that existed there were supported and that that work that, stabilizes the fabric of the community happened before anything, you know, sort of in terms of a potential large infrastructure project happened. So I think it really, you know, I think a lot of the, the lessons have been manifested in cully. And as we explore more, for example, I was I co-chaired the right now it's too soon to see. Too soon. Yes, but in the central city, tif exploration process, I co-chaired the subcommittee for affordable housing development. And, you know, the conversations there and the prospect of what this might look like in old town is very different than how it might look in cully or how it might look in a, you know, in the 82nd avenue corridor. So I think it's important again, just to, to think about how we how we translate what we're trying to accomplish, regardless of geography, but that we get very specific about what are the what is the community need, in each of the places and then really design our approach based on an aspirational goal is to not have displacement, have people, build generational wealth within the communities that they live in. Yes.

Speaker: And to your point, small businesses and incubating that entrepreneurial ship would be would we all agree that's a really important hand and benchmark. Yes. And so maybe the question then would be how can we track that sooner than later so we don't come back four years from now and say, oops, that didn't work.

They're not trying to be pessimistic, just trying to see that we have some concrete, exciting plans going forward. Let's look at that.

Speaker: You want me to take that one too?

Speaker: Yes, I think your comments that it feels like there's been an evolution are really fair. And the reason is that tif is just a financing tool. So each district made its own, and the people who put those districts in place made their own choices about what the priorities would be. And those policy choices have evolved over time, and I think what, what this analysis and some of the additional analysis that my colleagues here have brought forward helps to point out is that the impacts are really real, real, and that what tif is particularly good at is self evident, but it's good at building things. And if you want to do anything else in a district that's not about building infrastructure or housing, you need to bring all of the sort of wrap around supports to achieve those kinds of public goals. So thinking about for small businesses specifically, what are those kinds of investments that are going to be necessary to help individual business owners succeed? It's not just the building, it's not just the tenant improvements. It's all those other kinds of wraparound supports. So recognizing that it's to achieve the goals, you have to have a kind of comprehensive package is really critical. Okay I'll ponder that.

Speaker: Thanks. Commissioner Rubio, thanks, thanks for the discussion and dialog on on this. And some of my questions had already been asked, but I just want to really appreciate, what you said about this is a tool and really it's just a tool. The tool may be the same over time, but it's really the application of the tool that is changing and the lens that we use and the values that we bring into how we apply that tool, so i, I appreciate the disaggregated data when you're talking about by-district and how it's different because they all are different. And it's important to look at those distinctions because it adds that important dimension, and I'm also

wondering too, because that lens that we do bring in the application of this tool, there are points of discretion that are, you know, utilized. And so my question to you is how to what degree does representation impact those discretionary points of decision making? And how have you seen an evolution? I'm assuming, yes. But I just would love to hear more a little bit about that, commissioner representation in terms of oversight or engagement, I would say in terms of funding and in terms of choice of, decisions around investments, who's making the decisions, who's the who's on the end of who's out, who's applying, those kinds of things.

Speaker: Because I feel like that that's a very critical, part of this story. If you look at the evolution of how we apply the tool as well, because I would offer that they that would also contribute to increased numbers in diversity and utilization among people of color, bipoc folks.

Speaker: Yeah, commissioner, I think that's exactly right. I think that, you know, because so. Most of the neighborhood districts and many of the central city tif districts were born of infrastructure plans, wanted a new light rail line, knew that light rail was going to come in and wanted to make sure that as the upzoning happened, that you could do transit oriented development, and that wasn't, you know, kind of the case in, in every time. But, the by the time we get to interstate, I think that there was a recognition that because it was going to happen in a neighborhood context, that it was really important that neighbors had a sense of, you know, and could help to drive, what was happening in their districts, some of that ended up being baked into the, interstate tif district. But the way that they did it was they assigned, people who were on neighborhood associations. So, the preponderance of whom are are homeowners, the, you know, disproportionately in interstate where white folks, as compared to who was really there and so, we saw over time the need, as we were looking at what was the original intent of the district

and who was helping to drive what, what the investments were when the housing bureau moved forward with the north northeast housing strategy, and we did the community development action plan representation, and who was making the decisions about investments became critically important and was really heightened. And so we have two oversight bodies with deep ties to the community, and they've been responsible for helping to, develop the preference policy and to make those investment decisions around williams and russell and the, the like. So I think that, as we look at cully and cully, community members were thinking about lessons learned. That was something that they took to heart. Is really making sure that the oversight and who is helping as a community body to advise on that aligns with the intent of the district, and to your point, it's really important to make sure that that, as you know, as new people come in to these roles that they continue to be, really thoughtful about what the original intents are, what the policy objectives are, and whose benefited or who hasn't benefited from the investments.

Speaker: Could I get back to something you had a really interesting back and forth with commissioner gonzales, and it was about increasing diversity in areas that have established tif districts. Is that causal? Because I could make an argument that tif districts are are by design, put in areas that tend to be less developed and therefore more affordable and in recent years, as rents have ballooned in the city of Portland, I could make, I think, a rational economic case that people are being smart and moving into those areas, regardless of whether they have established a tif district, because they are more affordable.

Speaker: So we're showing descriptive statistics here. Mayor

Speaker: So we haven't descriptive is after the fact. My question is it causal?

Speaker: I so there was four times as much market rate development that occurred in tif districts than in other areas. And so people were moving where there

were units for them to move into. And, rents were increasing and there probably were some kind of market variables that were pushing them in one direction or another as they were making their choices about where to locate. But the fundamental, the fundamental piece of it is that's where the units were. So the people who were moving in for some reasons that might include displacement from other areas, or just the demographics of new residents, are more diverse.

Speaker: Market. Okay. Yeah, that's that's the city's the diversity in the city is increasing as new people move move here and more new people are moving into tif districts because that's where the housing is.

Speaker: So there is a causal link, even though that's not the way that we explored it in the data, the causal link is that's where there was a unit that was available to move into. That's helpful, that actually gives me some hope. So thank you. Okay, second question. We have been using a baseline line of assessed value as a means of determining whether a district is successful or not. Is that the right metric? Mayor, i, I think I tried I tried to parse that question a little bit because why that particular.

Speaker: Yes.

Speaker: So we were attempting to this is a question that we've heard from multiple commissioners in terms of the return on the tax, basically for property taxes, how have tif districts performed, and so I tried to parse a little bit that that's one metric, the financial return is one metric. It's not the one on a daily basis that the housing bureau and prosper Portland are looking at or within the tax increment finance plans when they evaluate and say, here are the outcomes, it's not a key indicator there. So we wanted to be transparent because we had been requested or we had we had been asked to speak to that, and it is certainly an informative indicator, but it isn't the one that we're using when we're thinking about success.

Speaker: It's actually somewhat far afield of the conversations I've heard here and frankly, with prosper in terms of why I've never heard anybody say, let's establish a tif district so we can create more tax revenue. I realize that the mechanism itself generates excess tax revenues, but that's not the goal. The goal is for whatever it is we're investing those tax revenues in. It's the development that we're trying to create. And that gets me to, something I think commissioner Ryan may have been getting out. I don't want to besmirch him or put words in his mouth, but he at least sparked a thought in my head. You know, we all agree that interstate led to gentrification and displacement. That is an established fact, but it is also an established fact that from a development pure development perspective, it did quite well. There was all kinds of new infrastructure, transportation infrastructure, road infrastructure, business infrastructure, the, streetscape infrastructure, housing development, infrastructure, from a development, pure development perspective, one could argue, was actually quite successful. And so the lesson learned is, I understand it is we still want that development, that that's still the goal. The question is how do you mitigate the negative consequences whether it be displacement or other negative aspects? We're still on the development train here, right? That's that's our goal.

Speaker: Absolutely. I think the philosophy I think of it as like smart growth is the philosophy, right? The philosophy really was let's make sure that we have transit oriented development, that we are building along those lines. And I think that the philosophy was, you know, access to transit and transit oriented development is good for everybody. I think what we learned in the process is that that is a assumption that fails in execution. If you don't take if you don't really take into account systemic racism and other barriers that prevent people from being able to, you know, be homeowners or be a business owner or and that was that was going

to get me to my next point, which is probably a michael point, which is so the way you prevent that displacement or alternatively, enable people to participate in the economic upside of that is they own an equity stake in that development through home ownership.

Speaker: Isn't that correct? And isn't that part of the objective here that you're proposing around the development of more housing, affordable housing?

Speaker: That's correct. Mayor. Yes.

Speaker: Okay. So, it sort of gets back to the neutrality that commissioner Rubio mentioned. This is a financial tool. It's neither good nor evil. It just is what it is. And there is an appropriate use of tools, and there is an inappropriate use of tools. And I would encourage you, I personally really like this tool. I like having it in the toolbox, but it requires some diligence and I appreciate that we have this opportunity every so often to really see where we are and hear different perspectives from the community about whether we think we're we're on point or not, on point, so thanks, commissioner Rubio, you get the last word.

Speaker: I think, that concludes our presentation.

Speaker: All right. Thanks everybody. Good presentation, colleagues, I think we'll jump right into the next presentation because it's a big one, but I'm better than I did this morning on making sure that I carve out space. We have to vote on this thing in there. Oh, yeah, I forgot about that little detail. Yeah. Wait. Don't go away, i'll entertain a motion to accept the report. Commissioner Gonzalez moves. Commissioner Rubio seconds. Any further discussion on the report? Seeing none. Please call the roll.

Speaker: Ryan. Yes, thank you. Everyone who was up here that just vanished, for that report. It was great, and it obviously got us thinking out of the box, which is really important for tiff because clearly we haven't figured this out all the way yet, I

think the gains in housing are are wonderful. I think the, the projects like north northeast, are showing a lot of promise that are kind of connected to this response. It's the, figuring out how to actually measure the and continue to adjust around building small businesses, having the building be done by those by bipoc communities so that we're really building the generational wealth. So really tracking that data to, make sure that we're since that we're sincerely tracking, the economic justice side of this. So I think we're talking about it and we're finding the language, but it's how do we, how do we continue to track the actual results? And then what type of levers do we have to change this? So yes, tiff seems to be a great lever. It does spur on development, but now we have to figure out how it's actually building that generational wealth that we're all visioning. And I think that's, somewhat of a puzzle based on the q&a that we just had. And I think we have to admit that and continue to, keep trying new strategies and keep bringing in new entrepreneurs into the network. Government definitely is not going to figure this out on its own. I accept the report.

Speaker: Gonzalez.

Speaker: I really appreciate the report. I think it was responsive to many of the questions we asked last time around. I think the different histories across the tif districts are fascinating. What's similar and what's different, I think, I just put on the record two things I'd like to see in the future. Again, total employment creation and maybe a more nuanced thinking about impact on transportation, because we got into some of the, the, the positive impacts. But I'm not sure how I really know how we're going to capture that as we go forward, last but not least, i, I think tiff is a remarkable tool, I do worry that we try to do too many things with it and that we actually may dull its positive impact. So, I don't know. That's a contrarian perspective on what you've heard today, but it can be an economic engine. It can be

something that creates, tax value, it can drive transportation investment. But if we try to do a million things, I worry we may dull some of its its benefits. Thank you. I vote to accept the report maps, I want to thank commissioner Rubio and the mayor for bringing this, report forward. I also want to thank staff for their presentation. I authentically we appreciate the research that has been done here. I think everyone on council and many members of the public, have questions about how tiff districts, impact development and impact human beings. I think that we now have some leverage over those questions, frankly, I haven't fully processed, what this data means for some of the projects that we are currently considering, but I think that we have enough data, on the table to begin to develop some solid intuition around that. I look forward to continuing these discussions, and I encourage, everyone who's interested in this space to check out this report. It really is, excellent work. And for these reasons and more, I vote to accept this report. Thank you.

Speaker: Rubio, I want to thank lorelei and director branam and director bonocore for this presentation today. It was really informative and it clearly highlights areas where there have been costs and trade offs of tiff utilization in the past and where we need to do more work to mitigate these things. I also want to state as a reminder that as our application of the tool changes, work around equity and economic justice and economic growth are not and do not have to be mutually exclusive. And in fact, our premise is that they are deeply interconnected. And I think we'll amplify any outcomes in future projects which I'm looking forward to seeing further develop, this work is ongoing and requires significant time, so I want to also appreciate the folks who regularly attend chair and have facilitated the conversations and presentations in our current tiff exploration committees, they have a lot of or they don't have a lot of time, but they, they give a lot of time and

energy in participate in advocating on behalf of their neighborhoods and their their business districts, and who keep us leaning into lessons learned in order to prevent unintended outcomes. And also, a big thank you to prosper Portland and housing bureau and their team for their work over the coming years to support these committees, and who are evaluating tiff as a tool for implementing these priorities. So I vote I Wheeler I the report is accepted.

Speaker: Thank you. Great presentation, great discussion, colleagues, here's what I would propose, I'd propose we jump into the next items, which are the 299th, the 300th, and the 301st items of the year. Here, the presentation. Then take a ten minute break before public testimony. We have a number of people signed up, as I understand it. So I'd like to push forward if we could. Yeah go to the bathroom. Great. All right. Great, if you could please read 299 303 zero one, please. A report and a report and a report.

Speaker: Item 299. Except the bull run treatment projects 2024 annual report, item 300, except guaranteed maximum price of \$1,003,753,656 from m w h kiewit jv and amend total contract amount to 1,290,000,000 for construction of the second and final phase of the bull run filtration facility project item 301 accept guaranteed maximum price of \$330,207,923 from bull run conveyance partners and amend total contract amount two 382 million for construction of the second and final phase of the bull run filtration pipelines project.

Speaker: Colleagues, before I hand this off to commissioner Mapps, I just wanted to note that I met recently with the presidents of pge, pacific core and northwest natural to discuss my concerns about the increase or the impact of increased rates across the city. As you know, we've had discussions here on this dais about the city's efforts in that regard. The city needs to have a disciplined approach to ensure for the collective impact of rates and ensure that they do not land on the shoulders

of Portlanders during this difficult economic time. With that quick note, I'll hand this off to commissioner Mapps to introduce these three items. Commissioner Mapps.

Speaker: Thank you, Mr. Mayor. Colleagues, today we will receive three reports from the Portland water bureau on the Bull Run water treatment project. Item 299 is the water bureau's annual report on the water treatment project. Item 300 is the guaranteed maximum price agreement for the second and final phase of the water filtration project. And item 301 is a maximum price agreement for the second and final phase of the pipeline. Work associated with this project. Colleagues. As you know, I have served as the commissioner in charge of the water bureau for a little more than three years, and I consistently hear for questions about our water filtration project. And so I want to take a moment to just highlight what those are. And I'm sure you're hearing the same ones first, you know, why are we building this treatment plant? Second, does this council have the option to not build this plant? Third, why are we building a filtration plant instead of treating our water with UV light? And fourth, what can this council do to contain costs associated with this project act? I want to take a moment to briefly address those questions head on. Question one why are we building this filtration plant? Well we're building this treatment plant in order to comply with state and federal law that required the city of Portland to treat our water for parasites, for a parasite called cryptosporidium, which causes diarrhea and other bad health outcomes. Question number two does this council have the option to not treat our drinking water for cryptosporidium? And the answer is no. State and federal law require the city of Portland to treat our drinking water for cryptosporidium and that treatment facility must be in operation by September 2027, which is approximately 40 months and three weeks from today. Now if we miss that 2027 deadline, I expect our federal and state regulators to declare that Portland's drinking water supply is frankly, unfit

for human consumption. And in addition, if we miss that deadline, I expect our federal and state regulators to find the city every day. Our water is not treated for crypto, which will both be expensive and a devastating blow to our city's reputation. Further, if we miss that September 2027 deadline, I expect the city of Portland will be forced to issue boil water orders for about 1 million people who consume our water every day and will have to issue that boil water order every day until our water meets federal and state standards. Now. Question three why are we building a filtration plant instead of pursuing a cheaper option like trying to kill parasites by treating our drinking water with uv light? Here's the history behind council's decision to pursue filtration over other strategies like uv light. In 2017, City Council chose filtration over other options like uv because in addition to removing crypto filtration provides a broad set of benefits that will make our water system more resilient and will help ensure continued access to bull run water. For about a million people who live in the Portland area for generations to come. Now, here's one recent example that illustrates why the full penetration plant is crucial, you all might remember how last summer we had a major forest fire in bull run. That forest fire came within 1.3 miles of our reservoir, where we draw our drinking water from. Now, if that fire had gotten even a little bit closer to where water source ash could have gotten in our water, and the bureau would not have had the tools needed to make our water drinkable again. However, if we had had a filter water filtration plant in place, ash that reached our drinking water could have been removed and we could continue to serve about 1 million or so water customers every day. Now, the final question, which I hear all the time and I'm sure you hear it too, is what can this council do to contain the cost associated with this project? First, let me be clear and transparent with all of you, this is a major infrastructure project that will also serve about a million people a day, every day of the year, every

minute of the day, for as long as the city of Portland continues to exist, we expect this project to cost about \$1 billion, which makes this filtration project about the size of environmental services. Big pipe projects, which we completed in 2011 and frankly, works great, since I've taken over the water bureau, the city has employed three strategies to hold down costs associated with this project. First, we secured a low interest fixed rate loan from the federal government for this project, which will save Portland taxpayers at least a quarter billion dollars. Second, I directed the water bureau to redesign and reimagine this project so it is cheaper to build. And third, I am trying to deliver this project on time, which means this filtration plant needs to be up and running and 40 months and three weeks every day. There is a delay at that will cost the people of Portland money, which they did not have to spend. Now I'm going to turn this presentation over to staff and invite a guest. First up, we'll hear from our leadership team from the water bureau, including deputy director edward campbell and chief engineer jodie inman, then we'll hear from, water bureau finance director cecilia hoon, we also have with us today, city budget office director tim grewe, who will discuss the city's strategies for containing costs associated with this project. Then we will hear from some of our regulators from the state of Oregon. Then we will hear from some of our labor partners and contractors who will help us build this important facility and finally, we will hear, public testimony and hold a vote on accepting these three reports. Now, kicking us off today. We have our team from the water bureau. I'll hand it over to deputy director edward campbell, welcome. Edward

Speaker: Thank you. Commissioner. Thanks for the time today, council, again, my name is edward campbell. I'm the deputy director for Portland water bureau, we can go ahead to the next slide, please. So, not to repeat all the great introductory remarks of the commissioner, just to quickly remind everybody of what the council

actions are today, we have three items, all reports, the first is our boring treatments project report, which is an annual requirement that was first established back in 2017 by the council. As we embarked on this project, second, we have two guaranteed maximum price reports to council. One is for the filtration facility and one is for the pipelines project. So last June, when the council authorized the water bureau to go forward with some early works packages for filtration and pipelines, the those were the first gmps. And that's why these had the nomenclature of gmp two, at that time, the council authorized the bureau to come back to the council with this second set of gmps last year's authorizing ordinance gave the bureau the authority to conduct the solicitations for bids, which we have done. And today's action would provide the bureau with the authority to enter into the construction contracts that are necessary for us to complete these projects, since the gmp reports to council are procurement actions, kathleen brennan's maura from city procurement is available. Should there be any questions about the procurement procedures, but other than that, i'll just introduce what we're going to talk about here today through the staff presentation. We're going to cover the benefits and needs of the boring treatments projects. We're going to talk about the schedule and the budget for the overall projects. We're going to talk about cost and rate mitigation strategies that we are employing. And finally, we're going to talk about the values embodied in the project and the council action today, so we respectfully request your acceptance of all three reports today. And I will now turn it over to our chief engineer, jodie inman.

Speaker: Thank you. Good afternoon everyone. I am jodie inman, the chief engineer of the Portland water bureau, it's I'm honored to be able to speak with you again about this project, which is a legacy project.

Speaker: So next slide, please. I think it's really important as we look at a project like this, to think back a little bit about how we got here and not just how we got here over the last seven years, but how we got here over the last couple of hundred years, the water system has created a leg. There's a legacy in the water system that we continue to thrive on and enjoy every day. Portlanders are proud of their water, and they should be. Their water comes from a phenomenal source, and we have done a lot of work to protect it. When the water system was established in the late 1800s, it wasn't done the easy way. They didn't just tap into the willamette and continue to drink that water. They sought a water source that would have been protected, a water source that would continue to deliver clean, clear, safe drinking water for generations to come. That water source was 25 miles east of town, on the flanks of mount hood. Not only was it 25 miles east of town, but then they built 25 miles of infrastructure, large diameter pipe hauled into the woods in the forest, on horse drawn carriages. They built this system to bring fresh water to the citizens of the Portland community, and then they and those that followed them spent hundreds of years fighting for protections to protect that watershed. We had that watershed in place. That watershed is protected from logging. It is protected from recreation because of the hard work of those that have gone before us. That is our primary drinking supply and for a reason. It is a phenomenal water supply. We have a moment in time where we need to do a little bit to help that phenomenal water supply, to be able to continue to have it as our primary source and help us adapt to what we know are changing conditions. Next slide, please. So just in case you happen to have forgot what this project is, there are really three projects that we are talking about today when we talk about the bull run treatment projects. One, as you see on the left is a site rendering is a 135 million gallon per day conventional treatment facility. This facility has been specifically designed to be campus

orientation, so to keep it compact, to provide buffer around it, it is on property that the water bureau purchased in 1975. So almost 50 years ago, with an intent like or with a purpose like this in its intent, it is an allowed use, which has been demonstrated by the recent, land use approvals in Multnomah and clackamas county. It is also really critical to remember that we can't just put this anywhere. It needs to be at an elevation of a size and located in proximity to our existing infrastructure. That minimizes disruption to the community by not having to build additional miles of pipe, it also reduces cost. In addition, keeping a gravity fed system is a very important seismic resiliency and climate change initiative. We want to make sure that even if we don't have power, we can continue to deliver clear drinking water, which means it has to be at certain elevation. I also do not want to forget that this project also includes seven miles of new large diameter pipe. Seven miles. That's a lot of pipe that is not an insignificant portion of this project. Cost that pipe is critical. That pipe will replace some of our poorest condition conduits we have in the system right now. In addition, it will replace it with seismically resilient pipe. So we're not just doing this for the filtration facility, but these are pipes that we would be investing in replacing anyway, as part of our seismic implementation plan. They are our critical backbone for getting water from the watershed into town. So this is an investment in a seismic resiliency project as well. And then the third project, the improved corrosion control treatment, which is also part of the program, was brought online in April of 2022, on time and on budget. And has been successfully contributing to reducing the amount of lead leaching from private plumbing through the corrosion. The improvements it's made. Next slide please. So we just want to touch back to where we are at with this project. It may feel like we keep talking about this project, and we have been talking about it for a long time. 2017 was seven years ago and a lot in the world has changed since 2017. We are

through a lot of the initial efforts. We've done our pre planning, we've done our planning, we've done our design. We've been or mostly through land use and we are ready to start this final phase, this final push to actually build it and bring it online in the just over four years that commissioner Mapps reminded us of. So we have done a lot of work, we've talked about it, we are ready. And I think what you will hear today is there is a community ready to build this. Next slide please. So I'm not going to spend a lot of time on this slide because commissioner Mapps touched on it. And we have some experts in the audience who will testify to this. But really, yes, we have to treat for cryptosporidium, it was a rule that was put into place with clean water drinking act in 2009. Most utilities came into compliance with that rule in the following next few years. We are the only national utility that did not. We had a variance and we were able to operate under it for five years until we had too many crypto detections. And then the City Council did not rush into a decision. It was weighed. It was grappled. There was economic analysis done. There was a recent fire adjacent to the watershed that helped drive the decision that, yes, we need to think long term, not short term. This isn't about building a one trick pony that can kill a bug, but can't do anything else. For us, this was about thinking about what we're going to leave to the generations that follow. So the time to make that decision was 2017, and we have been acting on that decision since then, and we are excited to hopefully be able to continue starting to build it. Next slide please. So I've been told to get rid of my inner engineer here and really share with you. I think it's important that you all understand that we take our job very seriously. We care highly about the community, all aspects of the community. We care about cost, we care about affordability, and we care about continuing to deliver clean drinking water to the community in emergencies. And these aren't just words on a slide. These are emergencies that we see every day. These are emergencies that are

happening, right? These are emergencies that we were afraid were going to happen in 2017. And we see today we see increased climate change, more strong storm events that are that stir up the water. We see increased cold weather. We see increased risk of earthquakes, forest fire. I don't know how much to touch on this one, but as commissioner Mapps we expressed, we saw this with a direct hit in the middle of our watershed last fall. And if you've ever heard of zombie fires, you can look it up. It may not be over, but that what? We were extremely lucky and I can't help but think how different this conversation would be if we hadn't immediately after that lightning strike had cool weather and no wind that gave people time. The over 600 responders that had to respond to that fire, and there were areas they can't reach to put out there deep in gullies. And we are watching them today. Once the fire was mostly out, in the rains came. Everybody went back to business, but the water bureau sweated. We stayed up at night. We worried those rains hit. What was it going to wash into the watershed? Were we going to have to shut down the bull run supply? Were we going to have to haul in? You know, media treatment on trailers, park 100 trailers at our headworks site, pump water through them at pge's, increasing rates. For potentially months and years to come. I added a slide. You can see here we have our beautiful watershed. You can see what a portion of that watershed looks like today. If the fire had not been contained, that is what we would be counting on to clean our water. And that is not going to cut it. I will say, in addition to these things, filtration provides multiple other benefits. It removes organics, which removes which then means we need we need less chlorine to treat our water. When we need less chlorine, we create less disinfection byproducts, which are cancer causing filtration will also create greater stability in our system. And that removal of organics will help with the stability of the system that will reduce the lead that is leaching out of the private plumbing. There are multiple

benefits from filtration, which is why the decision was made and why we firmly believe it is the right decision. And I would I want to build this because we want to be able to ensure that we, as the water bureau leadership and you as the city, have a response in the community, looks to you and says this emergency happened. Why don't I have clean drinking water and uv does not provide any of those benefits. Next slide please. Okay. Back to my engineer, so market conditions across the country. I don't think it's any surprise i. Costs have gone up. Costs have gone up for everything, we are around the average for this project. With what other water and wastewater projects are seeing nationally and locally. Our projects are third from the right, which shows about a 47% increase from 2019 until today. So if you read the paper this morning, the number that's in the paper that reflects that 47% increase. So we are being transparent about where the cost have gone, and what we will also share with you is that even though these costs have gone up, they are already in the rates because we heard you and we hear our citizens and customers. Next slide please. So in order to try to have some consistency, this is the chart that we have been showing you for the last several years as part of our annual report. And what you see there is that the total estimated cost for the project are 2.134 billion. That is a \$300 million increase over last year. Last summer when we were here. And I will talk more about that in just a moment. What I also want to share is that you will notice the contingency line as is normal as a project moves from pre-designed design and into construction and has bids. It is normal for the contingency to drop as those costs are shifted into capital construction. The other piece I want to point out is that those capital costs include more than just the pipelines and the and the facility. They also include program costs. They include design costs. They include land use attorneys. They include full suite of components. That is not just these two packages. Before you today. Next slide

please. So why have costs gone up. Well like most other utilities and infrastructure projects, we are challenged with market capacity. There is a lot of work out there and there continues to be a lot of work. While we are all extremely thankful for the recognition that infrastructure is getting old and it needs investment, those dollars are coming in faster than we can create jobs and people to build them. This creates the, this creates competition, particularly to be able to get the skilled labor that we need to build a project as important as this, there do continue to be supply chain issues, especially for some materials and equipment that did not disappear after the pandemic quieted down. We just saw the recent bridge collapse, which is a typical type of, impact that can inc or typical type of event that can impact how long it takes to get material and equipment. Drought is reducing the amount of flow through the panama canal, which increases how long supplies can get through. Schedule compression is another component of the cost increase. We had wanted to get started last fall. We had planned to get started last fall, but we need to get through our land use process and all permits before we can do that. We did start the early works construction as soon as those permits were in place, or those approvals were in place in order to maintain cost, which I know is a high concern of everyone in this room. The best way to do that is to maintain momentum on construction. This may sound counter intuitive, but every week, month, year that we delay, we incur more inflation. That is just cost. We cannot recoup. There is no way to offset that costs will continue to go up, whether it's by astronomical inflation, as we've seen, or just normal inflation on a project of this size that is very hard to recapture. Next slide please. So I know there are a lot of concerns about the increasing costs. And I fully recognize that the last two annual reports that we have brought to you indicate a significant increase in cost, with 350 and 300 million specifically, those are primarily tied to the action of moving our designs into the bid,

into the, into the bidding market, into the market and getting market rate bids. We spent a lot of time. So in last year when we came to you, we brought you the prices that were included, the bids to do the early work that drove up that first cost increase. The second cost increase is in large part due to the increase in costs that was received by the market to do the gmp two, there are other additional costs that we have been impacted by, such as insurance and our own internal labor rate, wages. The most significant risk that we had on this project was how the market would react when we put it out to bid. So if you want to control costs, one of the most effective things you can do is to move these packages forward, because that will help us to lock in the bids that that our community has been holding since last fall. It will enable us to lock in the bids, get under contract. We have a contract that specifically talks about how we deal with changes in terms and scope that protects the city and the contractor. I'm not going to lie, we still have risks. That is very well known. Our primary risk going forward is delay delays that can be due to land use appeals, which you're all aware of, delays due to supply chains or whether we have other regular construction risks. You never know what you're going to find when you start digging in the dirt or tunneling. Those still exist. But what you'll also note is that between what the water bureau controls and the contractor, we have 100 over 150 million in contingency. That should address a lot of risks, but I can't guarantee that I will address every single one, especially if we have a long delay. Next slide. Actually, for this one, turn it over to our director of finance, cecilia.

Speaker: Thank you jody I'm cecilia hoon water finance director. As jody explained, the cost has increased for the filtration projects ny but even with those cost increases, we are still going to be within the rate forecast that we have shared with you in early March, when council approved the water annual rate ordinance for fiscal year 2425, the 7.9% retail rate increase that you approved for July 1st will not

change with these cost updates. The rates forecast we shared during the rate hearing will also not be changing. We will stay at the 8.1% increases and as shown on the slide, about a third of the increase is needed for water system replacement and maintenance. So that's just ongoing system maintenance. About a third for these filtration projects and about a third of the rate increase for inflation. Another factors that, can impact our cost to allow us to maintain our current service level. The cost increase does mean that the allocation of that 8.1% increase will be a little more to support the filtration projects, and less to the capital program as we adjust the capital program to absorb the cost increases, which i'll get into a little bit more in the next slide. We are committed to staying within the forecasted rate increases of 8.1. That's assuming revenues and expenses are as currently projected for the forecast rate. Next slide please. So as mentioned, one of our rate mitigation strategy is to revise the ten year capital plan to offset the cost increases. We'll be making adjustment to the distribution program and the seismic plan implementation in the capital program. The adjustment that we're making to the mains replacement program will result in delaying the planned increase to replacing mains through our asset management work, we had planned to start ramping up on the replacement of our mains in year six and seven and so forth of the ten year plan, but we will now plan to continue to replace mains at the current rate a few years longer before stepping up to do more mains replacement. So I want to be clear that we're not reducing the amount of mains that we're currently replacing. We're just maintaining our momentum for a little longer than we had planned. We'll also be making adjustments to the seismic plan implementation, which means implementing the seismic plan over a longer period. But we will still achieve the seismic resilience benchmark a decade before the recommended time frame established in the Oregon resilience plan. Again, we're still doing seismic

work. As Jody mentioned, the pipeline is part of that work in our plan. These adjustments to the capital plan will not change our focus to keeping the water system maintained. And so I want to stress that we want to make sure that our water system is maintained. Even with these adjustments in the capital plan. So that's one rate mitigation strategy. The other is we currently have a 726.6 million with fee alone. We have it at a very low rate to help fund this project. We'll be working to pursue a second with the alone for the increases to mitigate impacts to the rate forecast. So WIFIA loan offers repayment flexibility that's not typically available with revenue bonds. Repayment on the WIFIA loan begins in 2032. So that's after completion of the project with a longer repayment period to mitigate rate impacts. We have energy efficiency incentives from Energy Trust of Oregon and will also work to pursue federal energy credits now available. Cost containment will continue. The project team has already reduced what costs would have been by at least 200 million. By going through multiple rounds of value engineering to build smarter, we have strong contracting processes and controls in place to manage and monitor costs. We put together quarterly progress reports that are submitted to EPA as part of our WIFIA loan requirement. We're also required to conduct annual audits on the project, so we'll be managing and monitoring the project costs very closely. And with that, I would like to turn it over to Timothy Grewe, City Budget Office Director, to provide CBO financial review and analysis.

Speaker: Thank you. Good afternoon, Mr. Mayor and Council members, for the record, I'm Tim Groo, the City's Budget Officer. And at the outset, I want to be clear that the City Budget Office, also known as CBO, is focused on financial aspects of the filtration project, not construction and operations. Our review also is based upon information provided by the Bureau. And what I will cover today is consistent with our financial statement. A financial impact statement that's provided in the Council

calendar today. I also want to be clear that in projects like this, whether they be small or big, but we look for is what happens if something goes wrong during the project. And what I'd like to do is give you very briefly why we, decided to support moving ahead with this project, going forward. First, generally speaking, the water bureau's financial position continues to be strong. And although this project requires a large amount of debt and a and along with that significant rate increases, the financial position should continue to remain strong. The city debt management division indicates that the water system credit rating will remain a strong investment grade at aa category, assuming that the council continues to support the rate increases necessary for this project, going forward, the bureau also, as you've already heard, has a three primary. A three has three primary strategy is to mitigate additional expenses should they occur for these projects. First, they are pursuing the water infrastructure finance innovation act. Second, grant of 325 million, which should reduce costs. And the bureau indicates that that is a that is a probable award that they will receive. But it's not done. Second, they are also rebalancing the capital plan over the next ten years to maintain planned rates. In total, the distribution maine's capital projects plan to spend 558 million over the requested ten year cip, and now plans to spend 408 million over the proposed ten year cip. A \$150 million reduction. So they are trying to offset some of the costs that they are experiencing going forward. The bureau indicates that delaying these projects will not affect water systems, operations or maintenance, though the trade offs and decreasing some of the proposals that they are using to offset could bring inherent risk, particularly in the area of seismic. Cbo notes that customer rates would notably increase above if previously forecasted. If the bureau did not decide to prioritize and realign their cip program. As a third strategy. It's something we always look for in these projects. The bureau is also looking to draw down on their

rate stabilization fund. The bureau has plans to make transfers to the water fund rate stable from the state. State? Excuse me. State stabilization account over the next ten years. Factoring for these adjustments over ten years, the rate stabilization account is projected to have an ending balance that is \$51.8 million lower when they reached the 20, 33 and 34 dates. The estimated remaining balance of the fund at that time will still be approximately 165.5 million. Cbo affirms that mitigating the increased expenses associated with gmp to with the rate stabilization account is an appropriate use of this type of account. That is what is that is what it was developed for, is to stabilize rates. The bureau is also pursuing pursuing these three strategies in order to keep rates within the forecast of future rate increases provided by council each year. While this may be challenging, according to the bureau, it is not planning on revisiting revising forecasted annual rates increases as a result of the gmp two. And this is an important thing. Assuming that no unknown increases to operating costs and assuming actual rate increases are consistent with the rate forecast, the bureau plans to increase rates annually by 8.1, which was mentioned earlier through fy 2030. Afterwards the bureau projects currently forecast that rate increases of 4.5% will be required. The bureau also indicates that even with this project, they remain committed to continuing its affordability programs to assist low income customers in paying their bills going forward. Cbo notes that for projects this side, the cost of the project can still increase even after receiving and approving guaranteed maximum price. Things happen. Change orders, which are common in large construction projects, are possible. These can. These can arise from many reasons, including unforeseen challenges related to the work site or rescope needs from the bureau for this reason, the bureau has a \$103.8 million set aside contingency for the filtration project to cover these types of costs. In conclusion, the reason that cbo elected to support moving forward with these

projects, as indicated in the cbo financial impact based upon the three year strategy plan to maintain rates and continue core operations that have been included in the plan. Also, the likelihood of a continued strong rating for debt service, the possible 325 million grant that they are going after, which will reduce costs. The commitment to continue low income system programs, the managed use of the rates stabilization fund, and a contingency to cover cost adjustments. Cbo is supportive of the bureau going forward with these revised filtration. With the revised filtration projects, contingent upon these mitigation efforts, however, cbo also recommends to the council that frequent, in-depth, transparent monitoring reports be regularly provided to the mayor and council and the public throughout the project. I'll be glad to respond to any of your questions at this point.

Speaker: Is that complete? The presentation?

Speaker: No. If we can, we will have other we have other invited guests, mr. Mayor, but this panel is done, actually, I have three more slides, and I promise I will go quick.

Speaker: Okay, well, let let me pull the dais, because I know I have questions and I know they're going to have questions and I know we want to get through the invited testimony.

Speaker: And I know that for the sake of our staff, we need to take a break when we're done with the presentation. But I don't want to lose you. So can you commit to staying until, oh, we're not going to have the opportunity? Okay, great. Good. Continue okay.

Speaker: I will go quickly because we have other people. So what we want to share with you is that, you know, we have been working with you and listening to your leadership since 2017. We have our commitments and our values for the project, for our health, which you have heard about and you're going to hear more about

for our economy, which again, you, I'm hoping have heard about and you're going to hear more from the community behind me about why this work is so important to get moving and then for our future, which I hope we are convincing you that this is a critical legacy project, next slide, please. I'm not going to read all of this on the slide. We have been actively working to try to engage and inform the community about this work. We have multiple different avenues through which we do that. What I really want to point out here is that as we move into construction, we are opening up additional avenues through monthly or coffee with the contractor monthly as well as a construction hotline and the ability to sign up for text notifications to understand where work is going on in your area. Safety is our highest priority and that is why, in particular, the construction hotline is critical to ensure that we are meeting the commitments we made through land use. Our commitments to the neighbors, and maintaining a safe environment for everyone in the community. Next slide please. I'm going to go through these two really fast because you're going to hear more about this, this project is a phenomenal is a is a large project. And I am extremely excited to be able to report that. I wasn't sure we could meet the new rwa goals, which brought the cobid participation up to 25% versus the previous goal of 20. And not only did that, we do that, it has been exceeded. And you're going to hear more about that today on the facility itself. There's almost 300 million that's been, going to cobid firms. And I want you to note that a lot of that is minority owned businesses. Next slide please. And on the pipelines, a similar and even larger percentage with over 102 million going to cobid firms, or 34% of the project. So between these two projects, we have almost 400 million going to cobid community. Next slide. And that is the end of our presentation.

Speaker: Great. Thank you.

Speaker: You have invited testimony, we have we'll have another couple of panels if you want to take a break. Now we could question this group or we could take a break. If we need to.

Speaker: I've got questions for this panel, but if they're willing to stick around, then I say, let's keep charging forward. Okay? I write my questions down, that makes sense, we I think we're going to hear from our state regulators next, so next up, colleagues, I would like to invite andre orso, administrator of the Oregon health authority center for public or for health protection, and I think also available for, to answer some of our questions, we have carrie, salas, I hope I said that correctly, unit manager of the drinking water services technical services unit, thank you so much for joining us today, the floor is yours, thank you, commissioner Mapps.

Speaker: Mayor, fellow commissioners, other commissioners, my name is andre russo.

Speaker: I'm the administrator for the center for health protection and public health at oha. I'll let my colleague gary introduce herself. Yeah.

Speaker: I'm carrie. Oh, is this working? I'm carrie salas. I'm the technical manager of the drinking water program. And, yeah.

Speaker: Welcome.

Speaker: I just have a few a few prepared comments and then we're available for questions as well. So under the authority of Oregon statute, and an agreement with the environmental protection agency, oha is the primacy agency to administer the safe drinking water act in the state of Oregon. Since 1974, the safe drinking water act has been highly effective in protecting public health, and has also evolved to respond to new and emerging threats to safe drinking water. This infection of drinking water was one of the major public health advances of the 20th century. Disinfection was a major factor in reducing typhoid and cholera outbreaks that

were common in American cities in the late 19th and early 20th centuries. In the past decades, we have learned that specific microbial pathogens such as cryptosporidium, which can cause illness, are resistant to traditional disinfection, and thus the EPA promulgated an Oregon adopted the long term two enhanced surface water treatment rule, also known as It2, that required public water systems using an unfiltered water source or uncovered water reservoirs such as Bull Run to treat their water. For these pathogens, the purpose of the It2 rule is to reduce illnesses linked to cryptosporidium and other microbial pathogens in drinking water systems serving over a 100,000 people were required to treat for cryptosporidium by the year 2012. At that time, crypto had not been found in the Bull Run. Over several years of monitoring. However, in 2012, Portland Water Bureau requested and the OHA granted a variance to It2 rule requiring treatment for cryptosporidium. However, when crypto was detected in 2017, OHA revoked that variance and OHA and Portland Water Bureau entered into a legally binding compliance agreement. The BCA, which included interim protective measures and a deadline to install filtration, the treatment method chosen by Portland by September 30th, 2027. Portland is the only remaining large public water system with unfiltered water source in the country. Without crypto treatment, crypto poses a potential public health risk and can cause cryptosporidiosis, a potentially serious illness. Symptoms can include diarrhea, vomiting, fever, and stomach pain, while people with healthy immune systems can recover without medical treatment, people with severely weakened immune systems or at risk of more serious illness. For example, in 1993, there was a cryptosporidium outbreak in Milwaukee, Wisconsin, sickening over 400,000 people, killing 69 individuals, and the city was put on a ten day boil water notice. Delays in the implementation of the filtration project will result in the violation of the compliance schedule, which may lead to significant economic

ramifications for Portland water bureau, such as continuing risk to human health and potential civil penalties. If crypto is detected at levels where a boil water advisory is warranted, Portland water bureau customers and people drinking, Portland water will be advised to boil their water until crypto levels return to baseline. This could be brief or extended, impacting households, restaurants, grocery stores and hospitals. Portland water bureau provides drinking water to over 1 million people in the Portland metro area, including vulnerable populations such as pregnant women, pregnant people, infants and those with compromised immune systems, as well as serving hospitals, schools, child care facilities, and food and beverage producers. Oha urges Portland to continue to make progress on constructing the filtration plant in order to meet the established schedule, which is essential to attain compliance with the safe drinking water act and protect public health, those are the end of my comments for today, but I'm here. And so is kari to answer any questions you may have. Thank you.

Speaker: And, mr. Mayor, we have one last panel of invited guests to represent the contracting community, I might recommend, inviting them up, that way, we could at least cut them loose should they need to get on with their days. Great. Unless you wanted to question our panel before. Right now? No.

Speaker: Why don't. Why don't we hear from the last panel?

Speaker: Okay. Next up, colleagues, we have, three partners from our labor and contracting community, who will speak about this project. We have kevin lux, come on up, kevin's with the columbia building, columbia pacific building, and construction trades council. We have maurice rahming. Come on up, maurice, with o'neill construction group. And we have trampas simmons with the carpenters union. So I want to thank you all for joining us today. These are folks who will actually be out there in the field helping us build this project. And we very much

appreciate you joining us today. And I will turn over the floor, I'm not sure if we have someone who wants to go first.

Speaker: Maurice is pointing to me. All right.

Speaker: Kevin.

Speaker: Well, hello. And thanks you. Thank you. Maurice hello, commissioners and mayor. It is so good to see you all again for the record, my name is Kevin Lux and I'm the executive secretary treasurer of the Columbia Pacific Building and Construction Trades Council, representing approximately 20,000 union construction workers across ten counties in Oregon and three in Washington. And we are excited and ready to get to work on the Bull Run project at pre-apprenticeship, programs are connecting with populations that have new hope because they don't have to go to college. They can have a better life thanks to a union apprenticeship. And our training centers have been recruiting and increasingly diverse cohort of apprentices. As jobs are ready and available for them, they're growing and learning their trades. And for those who are journeying out, the world is full of exciting opportunities. These are truly inclusive, with mentoring for women and BIPOC workers to advance in their career. As far as they desire, from apprentices to journey level, these jobs are allowing real people to see and feel financial freedoms that they haven't felt before. The larger issues around affordable housing are met with a negotiated wage and benefit to make sure that workers have the means to afford housing for themselves, and that that barrier is reduced or removed. We're taking, we're talking with everyone in and running for office about the need for more access to accessible childcare. Our members feel this struggle just like workers in all sectors do. We're committed to partnering with solution makers across industries to find and innovate real change. The Bull Run project is a special opportunity for our local workforce. Our commitment to training and getting it built

on time and under budget are unwavering. These feelings run deep. We love to point to the things that we've built. There's pride in our work and for the families that we're able to raise and care for their pride and providing reliably clean drinking water to millions of people over the next 100 years, bull run will allow generations to come to say, hey, see that your great grandmother built that. And that'll be a testament to our collective determination, skills and ambition for these and so many more. My affiliates and I urge your support for moving this project forward and thank you for your consideration. Thank you. Thank you, maurice, and thank you for having me, maurice rahming, president of neo construction group, thank you, commissioner Mapps. Mayor. Commissioners, you know, this project for the minority contractors that were behind me there supporting this? This is probably this is the biggest utilization project that the city and I'm pretty sure the state has ever seen. Right. We are excited to be able to go forward with this project. A lot of times we talk about you know, percentages and we talk about inclusion. This project has both right with, you know, commissioner Mapps staff, jack, I want to do a shout out to that. They actually listened to us. They allowed us to, just hear what we our concerns. And actually they met our concerns and exceeded our expectations. Right. So we are excited about this project. What we look at is these are projects that we can look at our families and say, we worked on that project. Our kids, we could say they worked on that, you know, this is what your grandfather did. This is these are legacy projects. This is wealth building for our community. Right? We're not just talking about the contracting community, but we're talking about the workforce community like you just heard. So we're going to be able to create economic opportunities for not only contractors, not only workers. We're excited about this, what you guys have done here is truly amazing, right? I've sat on enough diversity studies, and I'm moving from my notes because

this is deep, deep in my heart right now. I saw so many diversity studies and so many different things where the percentages are extremely low or the utilization is utilization that's not counted for bipoc communities. They're counted for majority communities that are just starting off and this is the first project that I've seen that has a real commitment and real equity built into the every process of this. I commend the waterboro. I commend mwcc for actually inviting us to this table over, I think, three years ago and said, we want you to participate. And they kept us at the table and the mayor's office and commissioner Mapps for also making sure that we were able to participate, Rubio's office for checking in and saying, okay, are you guys you guys good? Then Ryan for checking commissioner Ryan for checking in and saying, hey, are you guys being able to participate? Right. I am proud of what you guys are doing here today. I am proud to be a part of this. I look forward to this project. And I just want to thank you. Yeah I'm usually criticizing a lot of stuff. I am not criticizing this. I'm not criticizing because you guys delivered on a promise. And that is very rare. So thank you so much.

Speaker: Thank you maurice. And mr. Simons, thank you for joining us. Good afternoon everybody.

Speaker: Thank you for inviting me, my name is trampas simmons. I work for the, western states regional council of carpenters. Today I come before you to highlight the un wavering commitment from the western states. Regional council of carpenters in supporting the bull run project. Let us delve into some of the key talking points that underscore our dedication to this project workforce, our workforce stands ready, capable of meeting the local labor requirements. The bull run project. We recognize the importance of this endeavor, for our region's growth and for its prosperity. And we are committed to providing skilled workers, when needed, to ensure that this happens. Recruitment. The carpenters have continued

to recruit. Recruit? We've never really stopped recruiting. We're recruiting locally all the time as construction needs in the region and the bull run, project evolve. We will we will remain agile in our efforts to bring skilled individuals to this project as far as diversity and equity, equity. Diversity is not a buzzword for us. It's a core value. Our workforce reflects the rich tapestry of our community, and we will uphold the regional workforce equity agreement, diversity goals. Our commitment extends to apprentices, minorities, women, ensuring that all have equal opportunities. In conclusion, the western states regional council of carpenters stands shoulder to shoulder with this bull run project and we are ready to build a bright future for our region. I have 4100 members that are eager and really hope you, move this project along.

Speaker: Thank you. Thank you.

Speaker: And, mr. Mayor, I believe that completes our formal presentation from both staff and invited guests. I notice that we have about 14 people signed up for public testimony on this item. And I know probably our translators need some time to, give their, to take a break, too. I will let you decide where we go from here. Yeah.

Speaker: So here, colleagues, just a quick reminder.

Speaker: We have a budget session tonight at 630. I want to make sure we leave time for everybody to be able to get wherever they need to be. And who knows, maybe even get something to eat today, but I want to make sure we honor the people who've shown up for public testimony. We will give them the full three minutes which they are allotted, but let's be as succinct as possible. Let's think about what questions we want to ask the panel and be as succinct as possible. It is now 420. We'll take a ten minute break. We will recess until 430. We'll reconvene, I would like us to start, if we could, with a few key questions. Maybe everybody could think about 1 or 2 key questions for the panel. Go to public testimony and then

wrap it up with further questions of the panel. If we could. Sounds good. Great. We are in recess. For one. One one.

Speaker: 11101011. One two. One. One. One. One. One. One. One. One. One. Oh one. One.

Speaker: Don't make me use my small token wooden hammer. My plasticized token hammer, thank you everybody. Sorry. I know everybody's friends and all that, but let's let's keep moving. Because I know a lot of people have other commitments. Family, kids, all that today. So let's let's keep moving. I have a couple of just quick questions and i'll turn it over to my colleagues. They may not be quick, first of all, I want to make sure I heard something correctly. I want it on the record. I don't want somebody two, three, four years down the road to say, wait a minute, that's not what I understood. I understood you to say that you believe that this project stays on course with the discounted bonds that you're able to issue through with you, potentially a second tranche of wifia, bonds, which I very much would support. And hope we gain access to. And tim, you said, provided that council supports the rate increases associated with the project. And I want to make sure I understand what that means, because I first heard there wasn't going to be a rate increase associated with the project. But I think I know what you're saying there is already in our projections, and 8% per annum increase that has been assumed. Is that correct? That's correct. Okay. And so you're saying as long as the currently projected rate increases are accepted, but are those rate increases as a result of the project or are they incidental to this project?

Speaker: I'm going to have to leave this to this group. I think it's a combination of both. They at least for their ten year capital plan, they're trying to keep the rates at

8. And I think going forward as well. And that's why the mitigation things that they're doing to keep the rates at that level are so important. Okay.

Speaker: Well, I just want us to be really careful about how we talk about this and be transparent, because, you know, I read something in the paper about this won't cause rate increases. Or maybe I misinterpreted or I'm misspeaking, but I want to be very clear. You can't build a \$2 billion project with our limited financial pool and not impact rates, am I right? Right okay, so what we're expecting, unless there's some significant unforeseen cost or happening, it is 8% per annum between now and 2030, correct? That's correct. And I can't do the math quite in my head. An annualized 8% increase between now and seven years is what in gross terms, there is some compounding.

Speaker: That is. Yes, there is indeed. So I won't do public math.

Speaker: Okay. But I just want people to be aware that 8% per annum compounded is not an insignificant increase. And so I want that on the record. Just so everybody's crystal clear about that. That's thing number one. Doubles this is the largest capital construction project in the city's history. I want you to know that I have a great deal of respect for the water bureau. I think that your history has shown diligence. You have been conservative in your management. You have been effective in terms of holding the lines on rate increases. But this is a one off project. It is unique and I'm wondering what kind of outside advice we are getting, what kind of relentless, objective outside scrutiny are we getting to ensure that we are keeping the lid on costs that we are complying with the regulations that we have heard are required, that we have to we're required to abide by and that we are not building a cadillac saloon yea. Ryan. To achieving those objectives, but in fact are being very frugal and cost effective in terms of the strategies that we employ. And the reason I ask that is tim's budget analysis, and I certainly trust him on his budget

analysis is dependent upon what he's hearing from the bureau. So I need to know who's watching the bureau in terms of keeping the lid on costs, ensuring that we're building something that achieves the regulatory objectives. But is not the cadillac solution, but is a more frugal, cost effective solution. How how do you respond to that?

Speaker: Do you want to start, sure, so we do have contracts in place. We will have contracts in place. And there's certainly process pieces within the contract to make sure that we're following the works as described in the contract. We do have, reporting that we have to be doing to epa as part of the wifi alone. So before they do any disbursements alone, we're submitting to them all of the expenses. They're looking at it to make sure that it's relevant to the project. So we're doing that. We're also doing quarterly reports to the epa to give them progress reports on how we're doing, coming along with the project, so all of that is in place to ensure that we are following and doing, you know, per the contract that we have in place.

Speaker: Okay. So, let thank you for that answer, I appreciate it, let me just say I would support for your own benefit and your own protection, rigorous independent analysis and oversight of this project at every step going forward. I would support making that happen. And again, it's not because I don't trust you. It's because I think it'll help protect all of us, you know, tim and I have had many discussions about financial controls of late. And as we move to the new form of government, I want to ensure that we have financial controls that go down into the bureaus that is independent or is independent as possible. So that we're not just simply relying on the bureau's own internal analysis for the project. They themselves happen to be managing. And here we are with the largest project. I want to make sure that that we have rigorous independence, there was another caveat. I heard, that this is what we're planning, provided there are no delays. I also

read in the paper that there are people who very much hope to delay and want to delay this project by exercising their constitutional rights to defend themselves against what they see as an unjust or unfair or ill advised project. So I guess my question is, what kind of delays have you already assume? And given that people have been quite transparent that they will seek to delay this project? Okay.

Speaker: Yeah. So we've been very involved with the community as well as the community on the land or through the land use of this process. And I think we've looked at how to address the concerns related to land use in multiple ways. One, we took longer to get through land use than anticipated. And in part that was because we wanted to make sure that we had a robust and thorough record that addressed the concern that addressed the land use conditions, and that also we had done outreach to the community. Now, we may not have reached the same conclusion as the community, but we have really worked to try to understand and incorporate that into the project. And we think that is supported with the decisions that were made there. We have been very well aware of and those strong decisions will help us as we go through the additional steps we have a strong record to build from as we go through the land use board of appeals and or further, we are tracking, we have multiple, attorneys that are assisting us in this effort. We continue to try to engage with the community to address their concerns, and when it comes to delays, we are very well of the different points. And how long they may potentially be. So again, we're working with the county. We're working with, our own internal staff, and then we are working to really, be able to be best prepared. We've also been talking to ogle about this issue, about how we find the most expedient way through any potential delay that we have to be able to have that resolved quickly to get back to work.

Speaker: Okay. That's that's helpful. And, I don't know what the specific outreach is to the aggrieved parties, but maybe there's some compromise size or settlement or something that moves us beyond that risk of, further delays. Tough question that you may or may not be able to answer. So the cost of this project has continued to escalate, along with the cost of every other capital construct project, probably in America, in recent years, is there a breaking point? Is there a point at which the cost of this project exceeds the benefits, and if so, what options are available to us at that point?

Speaker: I, I would say I may be the wrong person to ask because the benefits to me are phenomenal and critical to our being able to deliver, continue to deliver clean, clear drinking water in an emergency and or what are becoming common events. What we have really focused on is how do we deliver this project, which is a critical tool, while maintaining the commitment to the 8.1% rate. We know, and we don't like those high rates either. We understand we all pay bills. We understand rates are important. So we've spent a lot of time. We worked with the contractors before we even thought about bringing this package to you. We did find cost savings opportunities. We have reinforced with them repeatedly. This is a community benefit project. We need your partnership. And they have responded. We have also, sorry, I lost my train of thought. I've been so engaged on how we got to bring this to you. This is not a number we wanted to bring to you, but it is a robust package. We have included contingencies. We have tried to be very clear with the contractor what we understand. Our risks are. So we're really minimizing surprises that we see coming forward because we've had those detailed conversations. And I forgot what your original question was.

Speaker: Well, and i'll ask my last question and maybe that'll, spark some, some creativity, so what are we doing to mitigate cost increases? What are your overt

strategies that you are currently pursuing so that when you come back in six months, we're not looking at another significant increase in the cost estimate.

Speaker: So in order to control costs, we you know, as we mentioned, we have risks. Risks. You're very well aware of asset management. There's likelihood and consequence. So we are looking at how to best mitigate both of those things where we can reduce the likelihood of something happening. We are doing that so that for instance is our land use process. We are trying to reduce the likelihood of a significant outcome through the hard work that we're putting into it, consequence that is working with the contractor. We have a list of, value added or cost savings options that we're going to continue to negotiate with them. We were negotiating with them over the last couple of weeks, and we've actually brought some of those costs down, we have mitigations in our contract. We have, schedule, excusable delay periods that we've built in. We have specific, really detailed requirements of this project for scheduling to be able to see conflicts in the schedule that could cause delay, that bring on cost, the contract also includes escalation terms, which is a common risk tool. Right. So once we're under contract, things like escalation become determined. Things like, how delays are mitigated and or if they cost, not every delay may cost. Right. There may be options that we can pursue that don't actually achieve cost.

Speaker: And this is what I like to hear. And I'd like you to be overt about that. I'd like you to stay ahead of yes. Anticipate potential ways that costs could escalate and really think, proactively about what those strategies might be so that we're not back here. Just saying, hey, we need to increase the threshold again. Last question. I promise. Then i'll move to commissioner Gonzalez. So it was mentioned during the presentation that the water bureau enjoys a double a credit rating. As a result of its good fiscal management on projects previously. Thank you for that.

Congratulations. I note that part of the strategy to finance this project is to spend down the reserves, which objectively strikes me as a good use of these reserves. But I also wonder, will this have any impact on the credit rating for the bureau and its other capital construction projects?

Speaker: So we do have matt gerhart, on the call, maybe it's best if we, ask him to.

Speaker: Oh, I see hey, matt, did you hear the question? Hi. Hey, yes. Yes, I did hear the question. Thanks for being on, yeah, absolutely. My pleasure, for the record, matt rock, that manager. And briefs, yeah. With this project, I mean, it is a lot of debt, but, it could put it could put pressure on the credit rating, but, I think the key is that the debt is more temporary, and it gets paid off over time and that the, the, financial position would be, strong. So after that, is, is there a process, matt, by which we could reach out to the rating agencies and get some sort of a preliminary opinion or some bracket in terms of what the impact might be, yeah, we can look into something like that.

Speaker: I'd appreciate it if you could. Thanks i'll sleep better at night. Thanks, commissioner Gonzalez.

Speaker: Actually, I just want to build on the last question. I think sometimes the credit rating agencies are reluctant to give opinions. So can you kind of give us a high level, like when will they opine on pieces and when they won't, related capital.

Speaker: We got matt here, so let's let him respond. Then I can contribute, so the credit rating agencies, they'll do a updated opinion, whenever we do a new bond issuance. So whenever we go to market to issue additional bonds, they'll look at, what the financial state of, the bureau, as well as the projections of the bureau.

Speaker: That's not just to be clear what my question was. I think the mayor was talking about sort of proactive, pre issuance advice from the credit agencies. And

I'm just curious whether under what's I know there's some areas they won't advise. I think we were talking about financial policy the last time this came up.

Speaker: So I'm just curious, matt, I think the issue is whether or not we can get a readout from the from whatever agency we're going to, prior to the bonds being issued to get some input, well, yeah, you're. Thanks. Commissioner Gonzalez. Yeah. So that is correct that, we don't provide advice, but they do have documented, rating methodologies that we're familiar with, and we can review and, we can look at those metrics that are within the rating methodology to see how it could impact.

Speaker: Yeah. If I could just jump in to commissioner Gonzalez, i, I share commissioner Gonzalez s thoughts on this, I'm just mindful of the fact in, in other discussions, we've had matt spending down our reserves was a potential red flag for the rating agencies, and I want to make sure that that's not the case here.

Speaker: Yeah. So if I may, the rate stabilization account was created and we have been using it as intended to build up on the reserve.

Speaker: Oh, so specific to this project, it not specific to this project, but that is an intended use to build it up.

Speaker: So when we started this project, we had raised rates to start building on that rate stabilization account. And that is and so when we draw on it, it is the intended use of that account. Okay, matt, I believe we've been working with you to also be looking at the rating agencies metrics and how they rate utilities. And based on your analysis, we would still be within the double a category of, you know, our debt ratios and our days cash on on hand, our liquidity positions. Do you want to speak to that? I think that's what I'm hearing is the concern is that we might our credit rating may be, compromised, yeah, I can build upon that. So, yeah. You know, within the, the credit rating scorecard, liquidity is one of those metrics that's, that's accurate. And one of the strengths that both the water bureau and bts have is that

they have strong planning standards. So within the projections, there will always be a minimum amount of liquidity of days, cash on hand, to protect the credit rating. So right now the rate stabilization fund has been built up with the planned use of it, for the for this project, but it will never reach a floor that would be, adversely impact, the credit rating. Yeah

Speaker: No. You help supplement.

Speaker: Okay. I mean, I think that's helpful. I'm not sure we're going to get a clear read outside of internal analysis, but I that's helpful, and just to project out, so we're talking 8.1% for a number of years, I think just to put that in real terms for ratepayers, you know, they're paying \$100 a month today. In about eight, almost nine years. That's \$200 a month. I mean, it's it doubles within, that eight, nine year period. I guess this does build on a separate line that the mayor was getting at in terms of representing ratepayers that are going to be paying this for a number of years, i, I'm surprised there isn't more external oversight, given the size of the project and that really it has transcended a number of governments. I mean, the next government will inherit this project. So, i, I and just the natural turnover of commissioners and, and other electeds, it's, I guess that's just a question as to, you know, we have a pub. Have they been engaged in this process? Do they, you know, do they support it? It begs the question is, is it the right external body to advise on these matters? I don't know this as much.

Speaker: A question for you and, commissioner gonzales, I was going to say I think that's a leadership question.

Speaker: So let me jump in here, I very much welcome this. The pub is involved in helping monitor the bureau's finances as, I completely agree. This is such a unique project that it might. In fact, it would would be worthwhile setting up, a separate system to, a separate advisory body to oversee and provide guidance and counsel

to make this, make sure that we stay on track and stay on budget, I will pledge to you and the people of Portland to work with my teams and, and the electeds on council to stand something like this up, certainly, tim, I'm glad you're here. I will certainly be seeking your counsel on how we can establish a body like that.

Speaker: And I you know, I appreciate that. And it's really from two angles. There's the element of who is the, you know, the pure advocate on behalf of ratepayers and that speaks unconditionally on behalf of the people that are going to have to pay this. No other agenda. This is what's going to cost me for the next ten years. But then there's also the technical expertise to supplement our own internal expertise. The legal environment, you know, the design decisions that we're going through. And I and whether that's the same body or those are two distinct bodies. But given us the biggest capital project in our history, it's sort of trying to make sure. And again, I want to emphasize that's not second guessing anything the water bureau is doing. It's just the magnitude of the project, you know, complex legal environment, on multiple fronts, federal compliance, state compliance. And you're going to deal with land use and clackamas county. Good luck. You know, it's, that it's just trying to understand how we build out a complete team that guides not just this form of government, but the next one through this, a great points.

Speaker: I'll tell you, the public utility you talked about maybe two advisory bodies, one representing the interest of, water consumers, my initial take is that that is a lane that the pub, historically and I believe in statute, occupies. And frankly, I'd love to really get them engaged in on this, heading into the future. And they're given the size and, scope of this project and how technically challenging it is. I think it might actually make some sense to have an outside advisory group, jodi, go ahead.

Speaker: I support that, and we're willing to work with you to find that balance, one thing I will state the design plans. Do go to the Oregon health authority for

review. So that was one of the compliance milestones that we met. So they have been reviewed by the health authority. So we do have some check there on the legal. You know, are we meeting the requirements that way. Another thing that we did during the design process, especially at multiple times, we talked about that value engineering. That wasn't just an internal process. We had an advisory board that we picked from national utilities, where we actually brought other national utilities that own operate and I mean specifically operate these facilities, frequently or daily. That's their job brought them in to help advise us as we were looking at building the facility, what are those key risks when you're inherently building a facility we want to watch for what is something we don't need? Do we need three plus two? Do we need to have two redundancy or can we live with one redundancy. So there has been that effort. I do agree as we go into construction and things change, we can certainly support some other.

Speaker: And last question, but I because I feel like I've asked this every time you guys have appeared, but just the waiver that we had for a number of years, is, you know, I think you spoke a little bit to other where we sit in the context of other national utilities on, on, on filtration, but are there any other major us cities that currently have a waiver that we're aware of?

Speaker: No, no, not from treating for crypto. No okay, one last question. If I may, jump in here, it'll take about how long will it take for take the water bureau to, pay off, do we anticipate it will take us to pay off? The cost of this project?

Speaker: So when we issue, water revenue bonds, there are over 25 year terms. Okay? The wifia loan will be a little longer.

Speaker: Okay. And how long do we expect this plant to be in service?

Speaker: 100 years. I mean, most building structures are 100 years long. Okay, well, thank you.

Speaker: And colleagues, that's one one thing that I want us to, think about. We have multiple kind of overlapping timelines. Means, you know, we have sort of our short terms budgeting, which is, you know, we're looking at rates about ten years out, you know, we're going to pull loans for 20, 25 years. We'll serve three. We, you know, this plant, as we stand it up, we'll serve 3 or 4 generations of Portlanders. As you know, right now, not only do we serve the city of Portland, we also sell water to some of our neighbors. So we're talking about, consumer population or customer population of today, about \$1 million. You know, compound that out over, you know, let's just say 20, 30 years. I think that might be the more appropriate way to think about the time and cost of this particular project. But thank you very much, cecilia, if I may, I just want to clarify.

Speaker: Maybe I wasn't clear when I talked about the rate increase of 8.1. I want to be clear. We're talking about only the water portion of the, you know, water, sewer and stormwater bill that's going up by 8.1. Okay. Thank you. Sewer and stormwater have their rate increases are separate from that right.

Speaker: Got it. And generally when we combine them together well yeah.

Speaker: Thank you for the clarification. All right. Public testimony a real quick question.

Speaker: So thanks for bringing that up because there was an earlier slide. Not today but earlier that compared sewer and water. And we all know that sewer had the big pipe speaking to ratepayers out there. And we saw that increase during that big project that was necessary. Just like this is necessary. So is that now going down the sewer portion because big pipe is paid for just like this one will supposedly go down. Once we hit that magic number, so to speak.

Speaker: On behalf of the.

Speaker: Yes, you'd have to talk to matt. I don't have that information with me right now, but I'd be glad to get it for you. Let's make sure we get that out there.

Speaker: Okay? It was a previous. That's a very good question.

Speaker: Yeah, i'll look into it.

Speaker: And it was smart that we combine the two. Thank you commissioner.

Speaker: Yeah great public testimony. I'll turn this over to your record. Thank you.

Speaker: Our first testifier is online. Charles cbo. Charles welcome.

Speaker: Three minutes. Name? For the record, you do not have to give your address as.

Speaker: Am I on now?

Speaker: You sure are.

Speaker: We see you and hear you. Welcome. Thanks for being here.

Speaker: Thank you, mr. Mayor, members of the council. My name is charles seco, and I want to thank you for this opportunity to comment. I listened to last year's annual report and related discussion, and was struck by mayor Wheeler's questioning of miss inman regarding the escalation of project costs. At what point do we just pull the plug? The mayor asked. And then you press miss inman, is this the final price? To which miss inman responded, yes, except for we don't know what we don't know, which was explained as construction surprises. Thank you, mayor Wheeler, for asking. So here we are, less than a year later and construction has not begun. So we still don't know what we don't know. And yet the cost has significantly risen more than 16% to \$2.13 billion. And let me repeat, that's before construction has even begun. Remember the initial cost estimate of 350 to 500 million? Are all the costs included now the cost of all the condemnations, some still ongoing. The cost of outside attorneys and consultants retained for the two land use processes. The significant costs associated with the many conditions of

approval imposed by Multnomah County. The cost of demolishing the brand new \$20 million ict treatment facility, the cost of decommissioning the pipelines that will be abandoned if this pipeline is built, or if this plant is built. I'm confused by the assertion on page five of the annual report that states, even though the costs have increased, there is no increase to rates as a result of these increases. Just last week, the pub was shown a slide that indicated the annual rate that you're discussing now of 8.1% for the next five years. By my calculations, given the impact of an 8.1% increase on a hypothetical \$100 water bill came to 47.6 over the five years. If you take that out to 2030, as was just indicated, that's 72.4% increase in rates. And if this project gets built on schedule payments on the wifi alone will just be getting started at that point. What's the impact of the loss of the three largest wholesale customers in 2026 on the remaining ratepayers? As the water bureau fully informed you about the pending appeal that includes seven agencies in Oregonians like a of Oregon, Oregon association, have they explained the cost implications of the luba process? Have they explained the very real possibility of having Multnomah County's decision overturned or remanded? The impact of a stay on construction when you have the option to hit the pause button today, you have the option to ask the city auditor for an objective third party analysis that provides clarity on these matters. Some that you have raised just minutes ago, you have the response ability to your constituents to make a fully informed decision. Thank you. Thank you.

Speaker: Next, we have lauren carter.

Speaker: Hi, lauren.

Speaker: She was to join us online but is not here.

Speaker: I see her. Yeah, I see her there at the bottom.

Speaker: Okay. You see her, laura belson?

Speaker: Oh, I see it, number three is Laura. Is Laura Belson.

Speaker: Laura, can you unmute?

Speaker: Oh, there you are. I'm Laura, but Lauren is also here. I see her, but, should I take her spot?

Speaker: Looks like Lauren has joined us. Lauren Carter, you can unmute. Oh, okay. There the entire time.

Speaker: Okay.

Speaker: Hello, can you hear me? Okay.

Speaker: Yep, yep.

Speaker: Hear you. And see you.

Speaker: Okay. Great. In 2017, the bureau proposed filtration as their method to treat crypto. Located at Carpenter Lane in rural East County with a unanimous decision. And it was based on a 350 to \$500 million price tag in 2019. The cost climbs to 850 million because the bureau simply forgot the pipes. In 2021, the price grew to 1.8 billion, and the bureau receives the largest WIFIA loan in the history of federal funding program to support one of the most expensive filtration projects in the country. Today, you are being presented with a new price tag of 2.13 billion. So what is the bureau's answer to buffer the new growing price tag today it's another loan. So altogether a \$1 billion loan. So why are the costs growing so quickly? Filtration is the Cadillac method and the most expensive location was chosen. Filtration touts all the bells and whistles, and we are enamored with how it will solve all the potential catastrophes with regards to location, it is far off the main conduit and water pipes must run underground, requiring creative and very costly engineering. Further condemnation and land settlements are in multitude due to surrounding residents, schools and farmland, as the mayor has asked in the past, when do we pull the plug? When is this going to be too expensive? This has gotten

so far out of control. Will council finally demand the facts? And no more half truths and scare tactics by the bureau? Council chose filtration under the premise of no more than \$500 million. You have successfully used the south shore wells. If the bull run water is questionable by the feds. And this is really important, folks, the federal government is not forcing us and requiring us to build a \$2 billion facility. Please stop with the hurry up. We have to do this or it will get more expensive strategy. And according to the oha, which I have in writing, the bilateral compliance agreement can be reversed and you have the opportunity to get the city out from under this trophy project. Last, as part of the rural community, we will not back down. We have more at stake than you do. You will miss your deadline, I said you will miss your deadline. We will continue to be a pain in your side and delay this with appeals and further litigation. Thank you. Thank you, laura belson.

Speaker: Hi, laura. Hi

Speaker: Hello. Hi, laura. Can I start?

Speaker: Yeah. Go ahead. You bet.

Speaker: All right. Hi. My name is laura belson. I'm here to ask you to provide detailed oversight to the Portland water bureau I attended. I attended the Portland utility board meeting last week and heard the presentation about the necessity of building the filtration plant and how it is the preferred option to. You've to treat cryptosporidium. I would like to respond to some of the points raised. The first point from pwb quote uv is no longer an option for meeting Portland's regulatory obligation. The city chose filtration in 2017 and entered into a binding compliance agreement based on that decision. End quote I am asking the City Council to investigate this claim. We have an email from kerry salas, technical manager from oha drinking water services that states quote. As for modifying the bca, since the agreement is bilateral, if both parties agree to modifications, the bca can be

modified. End quote. Which is true. Can we get out of this or not? If it is not true, do we need to spend over \$2 billion to fix a problem that can be fixed for 100 million? A second point from the pub presentation filtration addresses high turbidity due to erosion, wildfires or increasingly intense storms. Uv provides no treatment for turbidity events, such as after a fire or storms. The water bureau has shut down the bull run water source 11 times since 1985, just 11 times in 38 years. When it is shut down, we switched temporarily to the backup well system. We did so last year with the latest camp creek fire without issue. I have a copy of a letter from amanda fritz in 2009. It states when there was a fire in the denver watershed, which has a filtration system, their water supply still had to be shut down. We have a report of another in new mexico in 2022 that was closed down for considerable time after being overwhelmed by sediment from a large wildfire. Again, I am asking City Council to take a hard look at this project before committing to a boatload of debt for future generations. Will it really work in a big fire, or will it be overwhelmed like other similar systems in the country? In our current system of switching to backup wells, continue to serve us and it be good enough? I want one to all the testimony that came earlier about costs is all this really worth it? To my knowledge, there has been zero detections of cryptosporidium at the tap and never a person who has gotten sick from it in Portland is this problem. Spending \$2 billion on in 2018 when this plant was approved, councilors were adamant that the \$500 million number was a fail safe and almost preposterous outer limit that was never going to be reached. I joined the others in asking you to ask the city auditor for an objective, third party analysis that provides clarity on the ballooning costs of this plant and allows you to make a fully informed decision on behalf of your constituents. Thank you.

Speaker: Robert butler.

Speaker: Mr. Butler, welcome back.

Speaker: Wow, I feel I shouldn't be welcome.

Speaker: You're always welcome.

Speaker: Robert robert butler if we all agree on everything in this room, our democracy is in serious trouble. So we welcome you.

Speaker: Well, I wanted to add to commissioner Mapps, comment that he had four things. Actually, I think there's five things. And I'm going to talk about what I think is, number one, and that is transfer currency, I say that if it's not in writing, it's not true. And I don't see the writing. I've heard all of this testimony, all these numbers around running around here, not a single spreadsheet. And here I'm facing the reality that this project is done. That and our rate is stays like this really. So you know, I don't believe it until I see it in writing. See the spreadsheets and I don't believe it. I'm not so sure I'd believe it then. So yes, we need a cost comparison of the uv approach and the filtration approach. That analysis. Yes, I've asked for before. I've not gaining any traction on that. But I'm here again saying we don't make decisions like this without the numbers. The two numbers, the uv number and the filtration number. Operating costs, capital costs, debt costs and replacement costs. We have those numbers on paper. If we don't have that, I don't know why any lender would trust us. Quite frankly, if we don't do that. So yes, I'm surprised to hear today that we have the risk of a luba. I've been to luba lots of times. It happens all the time in my industry. Boy, that's no place you want to go. I mean, you think you got. You got a cinch deal? Please. It's not there. So so there's got to be something to deal with that because it's just not pretty, yeah, I think they're goldman sachs and lots of places to go to for a city like this to get advice on debt financing, for example. And what I hear our approach to financing our planning is to, is to look in the rearview mirror and see the, current rating of aa.

Jeez. And this is not what you do to finance, to understand your finances and to take care of it. So my last point is it's really, in my opinion, the Oregon health authority that's that's got it has the reins right now. I'm not kidding. I'm sure that and I don't think the governor is going to step in and whatever. But this thing, this gal just said it. No one's getting sick from bull run and nobody ever will. The way things are going from crypto, it's just not going to happen. It's going to happen right on the streets where all those tents are. That's where the crypto is because it's a sanitation issue. If we don't have one at bull run, we got the best water system in the united states. Thank you. Thank you robert terry cbo.

Speaker: De white christie. Welcome de.

Speaker: Hello. My name is de white. On August the 2nd, 2017, at the 2:00 City Council meeting, commissioner nick fish introduced resolution 37309. The agenda item read comply with Oregon health authority's order to treat drinking water from the bull run watershed for cryptosporidium by submitting a compliance plan and proceeding with updating the design and construction of an ultraviolet treatment facility. Seconds before the motion to vote on this resolution to build a uv treatment plant, commissioner fish proposed an amendment that substitute would construct an ultraviolet treatment facility and replaced it with construction of a filtration plant. That day, the council chamber was filled with bull run water. Activists, including myself, who were there and had already testified against any treatment, including uv, because there had never been any problem with cryptosporidium in our bull run watershed, there is still no problem with cryptosporidium in our bull run watershed. If you go to the e files on the city auditor's page, you will see what an administrative jumble the records are on this legislative ploy, pulled by an elected official, commissioner fish's motion was ruthless and capricious, and the mayor and council's vote was undemocratic. And if

I may remind the audience, mayor Wheeler, you were the mayor at the time. Just that quickly, treatment went from a uv plant at a little over 100 million to a filtration facility, which was, they said, going to cost between 350 and \$500 million. And is now at \$2 billion. And as commissioner Mapps said in today's Oregonian, he cannot guarantee that the cost is not going up again. Today. I'm asking you all to move and vote to table this field filtration plant indefinitely. Mayor Wheeler, since you were mayor at the time, this undemocratic amendment was made and subsequently passed unanimously. I implore you to do the right thing. And that is to quickly amend resolution 37309. Again, pull the plug on filtration and build a uv plant instead. In order to comply with the safe drinking water act. Thank you'd.

Speaker: Charles wahl.

Speaker: I'm charles waugh, and as was noted by pwb, though only in passing, the filtration plant has been appealed to the land use board of appeals, whose process may take up to eight months.

Speaker: That's per their own website, and that it quote may also be extended for other motions or for cases involving particularly complex issues. Now, this project at over \$2 billion would seem to be, to quote a particularly complex issue, this must be a disappointment to the pwb, since in their 2018 technical memorandum referring to citing this at powell butte instead said they said, and I quote powell butte land use reviews in the past have been appealed to luba by the neighborhood association and other public members, creating additional monetary costs, approval delays and political scrutiny for the project and Portland water bureau. Well that's where you are now. And yet they keep coming back to the City Council, hat in hand, asking for more money while touting their amazing progress by having spent over \$100 million so far with no land use approval in hand, no ground broken, a now longer timeline due to land use appeals, plus collecting, quote,

additional political scrutiny for the project and the pwb and might I add, the City Council. Not a good horse to keep betting on, especially considering that I've heard tell that the plaintiffs in the luba appeal are ready, prepared and frankly, itching to continue the fight up to the state court of appeals and even to the Oregon supreme court, which would necessarily impose a long delay. Now, this is not a good horse to keep betting on. In a December 5th, 2023, article in water online, which is self-described as a valuable resource for water and wastewater professionals. For more than 25 years, Portland has the highest household water bill of the 50 largest cities in the us. Yeah yeah. Here in the pacific northwest, renowned for its water, water, water. By contrast, dry old san antonio, texas was listed at roughly \$91 per household monthly, with water rich Portland at over \$121 monthly over ten times as high. Okay, but no, no. With mitigation efforts, they'll only raise the rates 8.1% per year until 2030. Are that's good. Terribly thoughtful. Overall you know, this project is not a good cadillac horse to keep betting on, especially when trying to avoid increased political scrutiny.

Speaker: Thank you. Charles angela todd. Welcome, angela.

Speaker: So good afternoon. I'm angela from pdx real, and I feel like today I might be one of the. I've not been at this party quite as long, but I am a quick study. And so here's a few things that I think are of interest that about this, some of which has already been mentioned. I'll try to put it in my own words I heard before we talk about my words, I heard some words today about pride and progress and helping others do well. And I think the city has a problem with greed and self-interest and while I want everyone to do well to do it on the backs of other people, it's wrong. We've just had a significant rate increase in our utilities. We've had significant increases in our groceries. This is a nationwide piece. We've had significant increases in our rent, our property tax, our gas, trying to get a little bit more of that

\$0.10 a gallon. City can't afford this. We're already losing people. This is not a we have to this is we want to because we're progressive and we'll take out anybody financially to get it. As long as we get ours, it's got to stop. We cannot eat our own tail as a city and expect that eventually the snake will not die. I, three of you are running for mayor. We just brought this fight to Portland through pdx real in the last 24 hours. Those of you that are going to stay in office, commissioner Ryan, you as well will be paying attention. And we'll be talking about this only thing that's required federally is this uv filtration. That's all we can afford and care about your city and your family and your community more than your own self-interest. Thank you. Thank you.

Speaker: Loretta guzman.

Speaker: Welcome, loretta. Thank you for being here. Thank you.

Speaker: Good to see everybody. Hi. My name is loretta guzman. I'm an enrolled tribal member of the shoshone-bannock tribes. I'm here today to speak for the land and for the people who live and care for this land, the land and the people in the rural area of carpenter are in danger. Their livelihood and the plant life in this area can and will be impacted by this chemical treatment plant that the Portland water bureau has planned to move forward with farming and farmland and farming is crucial for food supply and food security. This can change the water and harm the food supply. The city of Portland is willing to take farm land and negatively disturb the surrounding farms for Portland. Problem for Portland's problem and make it this community's problem. Chemicals will impact climate change, as our city always seems to be. So concerned about. Now is the time to be concerned for the 363 trees that will be cut down and the disruption of the native plants in this area that may never come back once they are disturbed. We say our kids are our future. Well here, our here, our kids and families living in this area, I'm asking that you deny and

pull the plug on this application and figure out another plan that is safer and more cost effective for us all. I am also a business and property owner in the city of Portland, but the problem here is bigger than just money. It's time for our city to go back to the drawing boards and figure out a new plan and get rid of this outdated, harmful plan. As an indigenous woman and the land we call mother earth. So go bia is sacred to our native people. Thank you. Thank you.

Speaker: Tara. Fall hi, tara. Yes?

Speaker: I've never been to one of these. Well, I'm terrified of public speaking, so enjoy, I'm going with the personal testimony housewife angle here, which I haven't heard anyone use, so I was the odd one out, increasing the cost of our water is going to burden people who are already burdened with expensive utility bills. For instance, a family in boise with a large home pays about \$50 per month for their water, while my smaller home pays 140 as a family of six with four kids in the house all day, we already skimp on showering. We don't flush the toilet after we pee. I've given up on enjoying gardening. We don't do summertime water play. I don't let my kids do the dishes because it's too stress inducing to watch them be less efficient than I am at obsessively turning the tap off. When we have houseguests over who like to shower every day and run the faucet, I cringe during a particularly difficult time financially. I actually considered capturing our shower water and disposing of it in the yard by the bucketful to avoid paying for water, leaving our house. Our consumption has not increased in the past year, but the cost has gone from an average of \$121 to \$140 per month in a previous home in one of the most wealthy counties in the country. We were paying an average of \$55 per month while not being afraid to fill a bathtub or water a garden. A family in nevada that irrigates their half acre told me. They pay \$70 per month for water in las vegas. A single family home may pay \$90. In south texas, someone pays \$55. In san antonio, 40. In

kansas city, \$50. I polled people and they even showed me their water bills. We have some of the most abundant water in the country, but some of the highest costs for something so necessary to everyone next door is littered with people who can't believe their first water bill after moving here is real. I know people who literally left Portland over this issue. Please reconsider burdening us further. The government needs to figure out how to live within the constraints of money like the rest of us. And somebody mentioned that our reputation will be tarnished if we had to boil our water. But I would argue that Portland's reputation is already in the toilet, and boiling water would just match some of the third world visuals we already have in our streets. Thank you, thank you.

Speaker: Commissioner Mapps quickly, before you go, I want to i, we, I think disagree on the larger issue here, but I do appreciate you being here today, I am moved by, by by, some of the challenges that you face, I'm trying to pay your water bill. One of the things I do encourage you to do is to check out some of the financial assistance programs that we offer over at the water bureau. You could just google what Portland water bureau, utility assistance and I suspect that we have a program that could help you out.

Speaker: My family, we have a single income, I'm a housewife. Yeah, we are neither, wealthy enough to afford to live here or poor enough to get assistance for anything. So.

Speaker: Well, I encourage you, we have evolved those programs. I'd be really surprised if we couldn't help you out. So if you haven't looked, especially if you haven't looked recently, this has been one of the things I've really emphasized, since I've been here, but I could be wrong, but I do want you to know that there is a resource. Thank you. Thank you.

Speaker: Did you say this is your first time testifying here?

Speaker: Yeah.

Speaker: I've never been here before.

Speaker: Thanks. We appreciate it. Thanks for making the effort to be here. Yeah

Speaker: Tamara wensink. Tamara's online. Hi there.

Speaker: Hi there. Can you hear me?

Speaker: Yeah, we hear you. Tim. Hi

Speaker: Fantastic. Thank you so much for the opportunity to comment. My name is tammy wensink, I just want to read a few comments. First, Portland water bureau would have you believe that they are required to build this plant. The truth is, the requirement is simply to treat for crypto the fact that the water bureau's proposed the most expensive option is really shouldn't be Portlanders problem. How is it that san francisco facing the very same problem with its water source in the sierra nevada mountains, also a beautiful, pristine and very protected water source from from public eye? How is it that they are treating with uv for just a fraction of the cost? Currently 38% of every ratepayer dollar goes to debt service for past projects. Now we're going to add debt service of this project. Why should Portland ratepayers, of all people be strapped with some of the highest water bills in the country? We have one of the most beautiful, long standing water supplies in the country. The south shore well field was developed to provide a backup source of water when the bull run is offline or needs to be supplemented. The reality is that cost of this trophy plant will continue to rise. Ratepayers will be strapped with this massive debt for generations. As a couple of other points I want to make is they keep talking about the turbidity while spending \$2 billion to address a future and potential concern. I don't know that this is the right time and space for that. The only requirement is to treat for crypto. With utility rates already soaring, businesses closing, and a shrinking ratepayer base, now is not the time to spend this kind of

money and burden residents with yet another unaffordable utility bill. Scale back to what's actually required. Just treat the crypto, nothing more. There's no historical evidence, and I mean evidence. I mean an event that we did not get through by just switching to the south shore whales, wells. There's no historical evidence that we need a \$2 billion filtration plant built solely for a future potential concern. The simplest answer is usually the best. You've will satisfy the epa requirement. Oha and the water bureau can easily amend their compliance agreement to pivot back to uv and it can likely be done on time if the council allows the water bureau to push forward with filtration, it will have land use battles and delays, ever increasing construction costs increase untenable and expensive conditions of approval, and will result exactly what what commissioner Mapps wants to avoid, which is the fines and the boil water notices. And again, those boil water notices. They're not out there for every single resident. They are going to be boil water advisories for infants and the elderly and immune compromised. I don't want any of my neighbors to have to boil their water, regardless of their health status. However I don't want any of my neighbors to not be able to turn their water faucet on for fear of not being able to pay their water bill. Thank you, thank you, sam dayak.

Speaker: Sam is online.

Speaker: Sam, are you able to unmute?

Speaker: Maybe I'm here.

Speaker: Oh, there you are. It looks like you have two mics open. Potentially. Sam actually, I think I will decline testimony.

Speaker: What I needed to say has already been very well put.

Speaker: All right. Thank you. I will I will pass on it. All right. Thank you for being here. We appreciate it. You bet james faison. Hello, james. Thank you for being here. Thank you.

Speaker: I think everything that's been said very well by maurice rahman about the fact that this will do for small minority and general contractors, that what did that do with a general contractors is off the chain. I came here from new york city, from brooklyn, new york, at 15 and where I was sleeping on the streets and the job corps. And since then, these programs of developing has made has made my company thrive. I have a very successful company. I'm in partnerships with, with kiewit and mwa on this, on this, supposedly this project going forward. And we're working together diligently to make sure that we're doing the right thing for capturing costs and money. So it's not something that we take lightly. And I agree with maurice said everything that we do will help push this project forward. I understand cost and I understand that it it sometimes we have to take and dig a little deeper into things, but I think that this is something that's a must and it costs is not going to get cheaper. You know, you got to understand construction and a whole lot of people that are talking don't understand construction. It's not going to get cheaper to build this. Thanks. Thank you, thank you.

Speaker: That concludes testimony.

Speaker: All right colleagues, any further comments? Thought questions. If not, i'll find my notes. I just had one.

Speaker: Yeah. Go ahead commissioner Mapps or staff.

Speaker: Can we just remind again on the decision back? I guess going back to 2017, why we chose filtration versus uv and why that continues to be the recommendation of staff, sure.

Speaker: Well, actually, when I pulled up eddie, eddie, if I understood.

Speaker: Clear. I'm just going off the testimony that went back to the original, recommendation. Commissioner fish in 2017. If I understood that correctly, I'm going to, mr. Campbell, do you want to jump in on this one?

Speaker: Yeah, council in 2017, the water bureau approached a recommendation to the council that was, essentially to build either to build uv, but to plan for and begin the work to prepare for filtration. And at that time, the council conversation was focused on should we bother to have this, this intermediary step of building uv when it was known that you've only addressed treating for crypto and wouldn't provide the other resilience benefits that filtration brings, including, you know, protection against the kind of risks that we've talked about today, fires, landslides, future climate risks, that sort of thing. And so through that conversation, the council made a decision to, instead of this, this sort of two fold approach to move straight to, confirming filtration as the preferred technology. And with that, then we sat down with the Oregon health authority, and that's when the schedule for the bca was established. And the technology then was locked in as our compliance approach, I think I fall, but I just want to repeat it back as best I can interpret.

Speaker: So at the time, they were both legitimate methods of mitigating the risks against crypto. But filtration was chosen in the name of general community resiliency to other risk that to our water supply.

Speaker: That's a good summary. Correct okay I think I'm good for now.

Speaker: Okay. Good

Speaker: If there's nothing else, i'll entertain a motion to accept. Report 299 so moved. Commissioner Mapps moves can I get a second? Second. Commissioner Rubio seconds any further discussion on the report? Seeing none. Call the roll. Ryan

Speaker: I have a I had a lot of things to say, but it's been a long day, it's not over. I know we have that session tonight. So just to get to the point, I really appreciate the water bureau for the several meetings we've had over the last month on this issue. I want to acknowledge the progress that I've experienced in terms of workforce especially. That was one of my, main issues. And I felt like today it finally really

landed with a lot of clarity. Clearly, there's a lot of support here, but I decided to accept is kind of like the big pipe, project, which is was necessary and we had a lot of pride in that. And I think ratepayers, all those expensive, they realized what they were getting out of it, I think we need to continue to make that same case with this. And that's what we're doing right now. And why we do these big projects. But we didn't want to experience what is a large contractor, you know, shipping in labor and then shipping them out when it was done. So we just wouldn't have any prosperity gains for our own local community. So to see the contractors that are here today supportive of this and knowing that they will see what we talked about actually earlier today going, you know, having more pre-apprentice, going to apprentice, going to journey, all the way up to the foreman. So we have an opportunity to really build that kind of generational wealth and those skills. And that's really good for the long terme. So there's a lot of multipliers to this, issue that goes beyond the rates on the rates. I think we just need more clarity. I know you're working on that, I know we've had conversations about that. I know as a big pipe was ending, what I heard is that those rates would go down. This would go up when it ends, it would stabilize us. So I just think we need more clarity. When you combine the two bills as we keep going forward. So again, I just appreciate the growth that I've experienced in terms of workforce. I can tell now we have the community behind the project in terms of that very important point. And so with that alone, I will accept this report.

Speaker: Gonzalez, our current charter doesn't afford us the opportunity to abstain, so we're here, we have to vote, and I've struggled with this project since I've been on council. It's a complex one, it's not necessarily one that we wanted to do. We're reading it as an obligation, with diminishing options as alternative, the question of filtration versus you've you've reminded us of the history there. I

appreciate it, you know, i, we do have to make investments in community resilience that are difficult. And so I do think that, you know, that's a it's a difficult pill to swallow because it's got a price tag that's in addition to the legal compliance here, but I'm not sure it's the wrong one either, I would strongly encourage that we find a way to bring the community on on this. I don't think we heard a single person testify in favor of this outside of the state, that's of concern, we didn't hear from the pub, testifying in favor of it, that's a concern, and I'm not sure how to bridge that with community right now. I we got overwhelming outreach from ratepayers. I don't I have to think if we got a single one in favor of this, and so it's a challenge we interpret this as a legal obligation, the state is on board with our pathway, I am personally somewhat swayed by the thoughts around, community resilience, because, again, that is a tough thing to invest in. And it always adds cost. And it's frustrating in a lot of ways. So, I'm going to vote in favor of accepting this report today, but whatever we can do to bring in, you know, supplement outside experts to take a second look and to bring along community, because there's a big delta between the water bureau and ratepayers right now on this one. And it's been here the entire time I've been on council and doesn't seem to be getting better. I have to defer to your expertise at certain level, but having the other pair of eyes taking a look would be much appreciated. Thank you. Maps, I want to thank the water bureau for today's presentation, and I want to thank everyone who testified today, both in favor of this project and folks who raised, some questions and concerns about this project. I think I heard some good ideas today, and I'm committed to taking the best ideas that I heard on the table and moving forward with them, one of the ideas that I think, would serve the people of Portland well would be to stand up an outside advisory group to help, advise the water bureau on cost containment for this project moving forward. So, colleagues, I will work in conjunction with you

and my colleagues in the water bureau. And, frankly, folks in the community, to get that stood up and to get a set of, fresh eyes on this project to make sure that as we move forward, we are doing everything that we can to contain cost again, according to everything that I've seen, the biggest risk, to us staying within budget or delays, which is one of the reasons why, I am managing this project diligently, trying to move it forward step by step. I will continue to do that for as long as I hold this particular seat, I know that this has been a long day and a challenging one for a lot of you. So I appreciate your political courage today, and, but this is what the work of building the city of tomorrow is all about, which is why I vote. I yea. Rubio I want to thank everybody who's, presented today, and also thanks to commissioner Mapps and his team for keeping us updated on the progress of this project, my son, okay, to for keeping us updated on, on this project and, and to those who have written in and testified, I want to appreciate your comments and your concerns about cost and oversight, and I do welcome additional steps to make sure that we have meaningful ratepayer and engagement and oversight. It's a complex project, but I do believe this project needs to move forward, and that we have no time to lose water protection has taken on a new meaning in today's climate reality. And for this reason, stakes are higher than they were in the past. And we have to plan for extreme weather, for fires and other potential catastrophic emergencies that could really devastate our region, and access to clean water, would really be devastating as well to residents in Portland. So we should take some protective action now, I also want to appreciate the work done by all parties to get it, to the significant public participation on this project, and thank you, Maurice. And Mr. Hazen, for your comments and all those who showed up as well in support. It's important that we keep striving for better outcomes. And I want to thank folks for holding our feet to the fire and making sure we demand higher workforce standards on all these

projects. So thanks again to everyone who was here today. I vote I to accept the report Wheeler, for every person who testified today about the impact of potential rate increases and costs, there are a thousand other people in the community who could not be here, who probably feel exactly the same way.

Speaker: And that's one of the reasons that I've called for us to hold the line on taxes, fees and utility rate increases. And we heard really good, very personal testimony. And I appreciate, frankly, the willingness of people to come forward and talk about the sacrifices they are already making even before projected rate increases have come online. People are at a breaking point. And what I had hoped and what I think our colleagues in the bureaus have heard today, is that our residents are really struggling in this this economic environment, and we have an obligation to do everything we possibly can to limit the cost increases to this project. As the cost of this project goes up, so too do the stakes, and so too does the cost to every person who lives in this jurisdiction. And I'm mindful of that. I'm appreciative, colleagues of you, and I'm appreciative of the bureau agreeing that we do need to have some independent analysis, financial analysis. It is not sufficient, from my perspective. And again, it's not because I don't trust our employees. I do, but we need tight financial controls over this project. And it would be really helpful to have a designated skeptic looking over all of our shoulders. You know, you, you, you know, operationally. But us to make sure that we are holding the line on every potential cost increase in this project, that we are doing what is required and not padding it with additional costs that are not necessary, making sure that what we are doing is, in fact in clear alignment with the objectives of this project and that we're being transparent with the public several people who testified today, mentioned transparency and understanding what's going on in this project is being important. I feel that same way. It is difficult for me to sit here as mayor and every

couple of months get a briefing and hear, you know, surprise, the cost has gone up another 100 million, then 200 million, then 300 million, we need to keep people in the loop. Not just us in elected as elected officials, but the people who pay the bills. They need to be in the loop, too, and know what's going on with this project. So I hope that that is taken to heart, I obviously will support this report. I've supported this project all along, but again, cost continues to escalate and I will keep asking questions about at what point if this keeps escalating at this rate, do we do something differently? Because I've got to believe we are now at the point where those rate increases are close to not being accurate projections of what the actual rate increases will be. And that's why I want independent analysis. I vote I in the report is accepted to report number 300. Call the roll. Ryan. Gonzales.

Speaker: Hi, maps. Hi Rubio. Hi, Wheeler. Hi.

Speaker: I'm sorry, I need to. Yeah go ahead. Move.

Speaker: I so moved second.

Speaker: Somebody i'll second it. The report's moved. Seconded. And you took the vote. I'll call on me. Wheeler. Hi the report's accepted. 301. I'll entertain a motion. So moved. Commissioner Mapps moves the second, please, commissioner. Yeah Ryan. Seconds. Any further discussion, please call the roll.

Speaker: Ryan. Hi. Gonzales. Maps. Hi Rubio. Hi, Wheeler.

Speaker: All right, the report is accepted. Legal counsel. Can I get away with that? The way I did that, it was a little sketchy, but thanks. Long day, colleagues. Thank you. We are adjourned until 630.

Portland City Council Meeting Closed Caption File

April 11, 2024 – 2:00 p.m.

This file was produced through the closed captioning process for the televised city Council broadcast and should not be considered a verbatim transcript. The official vote counts, motions, and names of speakers are included in the official minutes.

Speaker: It's Thursday, April eleventh, 2024. And this is an afternoon session of the Portland City Council.

Speaker: Why don't we go ahead and. Actually, I'm going to. I'm going to read some opening remarks. Then we'll get to. Well, we'll start with calling the roll. Ryan

Speaker: Here, here, here, here. Here, here.

Speaker: Legal counsel. You're up. Thanks welcome to the Portland City Council.

Speaker: To testify before council, in person or virtually, you must sign up in advance on the council agenda at [Portland.gov backslash](https://portland.gov/backslash).

Speaker: Council backslash agenda. Information on engaging with City Council can be found on the council clerk's web page. The presiding officer preserves order and decorum during City Council meetings. The presiding officer determines the length of testimony. Individuals generally have three minutes to testify unless otherwise stated, a timer will indicate when your time is done. Disruptive conduct such as shouting, refusing to conclude your testimony when your time is up, or interrupting others testimony or council deliberations will not be allowed. If you cause a disruption, a warning will be given. Further disruption will result in ejection from the meeting. Anyone who fails to leave once ejected is subject to arrest for trespass. Additionally, council may take a short recess and reconvene virtually. Your testimony today should address the matter being considered. When testifying, state

your name for the record. Your address is not necessary. Disclose if you are a lobbyist. If you are representing an organization, please identify it. For testifiers joining virtually, please unmute yourself once the council clerk calls your name. Thank you.

Speaker: All right. Thank you very much. So colleagues, I want to just give you a heads up here. I'm rescheduling item 302 regarding the revision of the city's chart of accounts to next Wednesday, April 17th. It will be heard alongside the second reading of item 303. This spring. Bump on the regular agenda. The reason for that is staff needs a little more time to work through that. And with that, we'll move to item 3.03, the spring supplemental budget, also known as the spring bump. Can you please read item 303?

Speaker: Mayor, may I also read 302 so that we can move it?

Speaker: Sure, if that's necessary. Yes.

Speaker: Thanks, 302, revise the city chart of accounts to show newly created service areas, bureau and bureau hierarchy, and adopt the updated appropriations schedule. All right.

Speaker: Good. So that's moved to next Wednesday. Yes. All right, item 303.

Speaker: Yep. 303 adopt the fy 20 2324 spring supplemental budget and make other budget related changes.

Speaker: All right, so as a reminder for those tuning in, the spring bump is one of three major budgeting processes that the city undergoes each year. The process is historically comprised of troops and relatively small programmatic changes. These funds must be spent or encumbered by the end of our fiscal year, which is June 30th of this fiscal year, any funds that are not spent or encumbered by June 30th will fall to ending fund balance. During this Tuesday's work session, the city budget office overviewed the spring bump as filed and answered the council's questions. I

want to express my thanks once more to our budget office for their incredibly good work on the bump, and for taking the time to reach brief each commissioner on this process and the various packages that are involved. Before I turn this over to the budget office, I want to quickly review the order of events for this item. City budget office director timothy grewe will kick us off cbo analyst anthony lock will walk us through the current spring supplemental budget ordinance. Then council will introduce and second amendments for consideration after which time we'll hear public testimony if there is any. Once public testimony is complete, the council will deliberate and vote on the amendments. With that, i'll turn this over to city budget office director timothy grewe to kick us off. Good afternoon tim.

Speaker: Thank you, mr. Mayor, and good afternoon, commissioners, since we have met with you in person on the bump and had a work session, our presentation on the budget monitoring process will be short today, but since we are a public hearing, we do want to provide a brief overview for the public with me today, as the mayor mentioned is anthony, who is our bump coordinator. We have the slides up. On them, do we have the slides up okay. Excuse us for a minute. The slides aren't showing. Here we go. Thank you. Can you go back? Who's controlling here with this? Can you go back a slide? Yeah thank you. The spring bump is focused on the current fiscal year, and it's a process to true up, as the mayor suggested, budgets as needed. As we move into the end of the year, the process allows bureaus to request carryover for unspent but required projects going into the next fiscal year, make technical adjustments to the budget. It also allows bureaus to request funding from the compensation set aside for position, salaries and benefits. It also, it they can also recognize new revenues that are not currently in the budget. And finally bureaus can request new funding from the general fund contingency for what are truly unforeseen needs. Next slide. As as indicated by the

mayor, the guidance is provided by the mayor to guide the bump process, including not allowing any new general fund requests. General fund requests to allocate funding into the next fiscal year for one time work that is not completed, and to return expected year end under unexpended funds that can be used for other needs and in particular for the next fiscal year. Next slide. Nothing. I'm sorry we're having a little trouble with the slides. Yeah I already did that. We have a problem. I'm sorry about this. Thank you. This is the timeline for the bump process following today's hearing, council can recommend amendments. Or during this this session, amendments to the ordinance, which will be considered and acted upon in the second hearing, which is scheduled for next week on Thursday, April 18th. At that hearing, council will approve the bump. I would like now to present. I would now like to have the presentation turn over to andrew, who will provide a short overview of financial recommendations in the bump. Okay, anthony, great.

Speaker: For the record, my name is anthony mayor. Commissioners, good to be here with you, as tim just mentioned, this is going to be the third time you guys will have heard a version of this presentation. And so we're going to keep it relatively abridged while hitting on some of the key, particularly key general fund related details. So on the slide here you see an overall picture of the different requests that we, the city budget office, recommended for the spring bump. And so what you see here under the decision package types of notes are five types of decision packages that we thought were relevant to highlight, regarding our recommendations. So the first is you see that the compensation set aside. So we don't have a slide here that breaks out those numbers individually. But as a reminder, our office received, \$23.8 million in compensation. Set aside requests, there's a about a \$26.5 million balance set aside in that fund. And our office is recommending for all of the compensation, set aside requests that we receive the 23.8 million. In addition, we received, \$17.7

million in requests for policy set aside. And we do have a slide that highlights that information more particularly, but as a reminder, these these requests are largely made out of draws from the public safety bureaus to in the in the set aside that that you set aside in the fall. And so about 15.3 million has been drawn upon with the remainder potentially available to be drawn on either in the overexpenditure ordinance or to be used in a similar way for next year's budget, third, we're highlighting that, due to the mayor's guidance to return general fund resources for any known general fund underspending, we received \$1.2 million of return general fund that can be used either to address current year issues or to be used in the mayor's proposed, fourth, we did receive some cannabis fund carryover requests, and it's not that we're not recommending those requests, but because of the volatile situation in the cannabis fund regarding its revenues, we're recommending a different policy mechanism by which prosper will receive the funds that they've asked for. But the carryover process, technically just wasn't going to work with, the balance in the cannabis fund at the moment. And then fifthly, we have the general fund carryover request. So you see there, we're recommending, 22.5 million out of the 25.7 million that we've received. And below there, you see, five different decision packages and those represent, the total sum of the requests that we did not recommend for. I'll pause there to see if there are any questions on the high level overview. During that. All right. So here is a slide. So in the work session we presented a bit of context for how we arrived to these numbers. And here is a slide that shows both the adjustments that were made in the fall bump. So you see there, in that second from the left column, there was a draw on unrestricted contingency as well as, sizable contribution to the policy reserves. And our next slide will highlight, how those numbers were broken out. And then you see there on the second to the right column in the spring, bump recommendations, the total

draws that we expect to see in the spring bump based on our recommendations. And so you'll see there, there's about 900, \$950,000 a draw in unrestricted contingency, the 25 million draw on, salary adjustment contingency, which is also the compensation set aside and then we see 16.6 million draws on the policy reserves, which will be broken out in the next slide. So here is a breakout of the policy set aside. You see there in the second to the left column, the different, buckets of general fund resources that council set aside in the fall that bureaus could draw upon as needed in the spring bump or in the over expenditure ordinance. And so you see there there was a smaller draw of 560,000 or so on the beacon sobering services, current appropriation level. And then a number of other buckets, buckets of general fund that were set aside for bureaus to draw on. And then you'll see there on the second to the right column in the in the fiscal year 2324 spring bump cbo rex, you see the total policy set aside a request that our offices recommending. So we're recommending that the beacon sobering services current appropriation level would be fully drawn down. And then we are also recommending that the public safety set aside requests that we got from the police and fire bureau are, are approved and so that equals that 16.6 million. So that's that's a high level summary of the different general fund resource buckets that, are available for bureaus to draw upon in the spring bump. And i'll, pause there and see if there are any questions, colleagues, any questions.

Speaker: Nope, nope. We're good.

Speaker: Thank you.

Speaker: Does that complete the whole presentation that completes it.

Speaker: Okay, great.

Speaker: Sorry we didn't rehearse this very well, then with that, we will now hear and second amendments and colleagues, if you have any, I'd ask you to please read

your proposed amendments and seek a second for that. After all the amendments have been placed on the table for discussion, we'll hear public testimony, I've got a couple before I read those in. I'd like to open the floor to my colleagues for any amendments they may have.

Speaker: I have none very good.

Speaker: All right, so, this is Wheeler number one, motion number one. This is a motion to make the following adjustment to the supplemental budget is filed to pay for the attorneys fees and costs associated with two very recent legal settlements. The first is michael kessler versus ted Wheeler, mayor of the city of Portland. And tozer et al. Versus the city of Portland. This amendment would increase interfund cash transfer expenses in the legal priorities reserved subfund in the city wide obligations reserve fund to the general fund by \$166,893. It would increase the burial program expenses in the city attorney's office, general fund by \$166,893. It would reduce contingent see in the general fund policy set aside for attorney's office current year costs by \$700,000. It would increase interfund cash transfer expense from the fund and debt management general fund to the insurance and claims operating fund by \$700,000. It would increase interfund cash transfer revenue to the insurance and claims operator fund by \$700,000. It would increase bureau program expenses in the risk management division, insurance and claims operating fund by \$700,000. It would update exhibits 1 to 5 as needed to reflect this change. Do I have a second? Second commissioner Mapps second, Wheeler motion to would be a motion to make the following adjustments to the supplemental budget is filed to include carryover funds for the Portland committee on community engaged policing to facilitate community engagement necessary for compliance with the united states department of justice settlement. This decreases bureau program expenses in the office of public safety general fund by \$133,000, to be

carried over into fiscal year 20 2425. It would increase general fund policy, set aside for program carryover. To balance this change. It would update exhibits 1 to 5 as needed to reflect this change. Can I get a second second commissioner Mapps seconds that as well, no additional amendments with that. Keelan. Do we have anybody signed up to testify on this item? No one signed up. All right, very good. Good. There's the rest of my page. So that gets us then, is there any further discussion on any of this? All right, so, to the amendments. Wheeler one, please call the roll. Ryan hi, gonzales.

Speaker: Hi. Hi, yea. Rubio.

Speaker: Hi, Wheeler.

Speaker: Hi.

Speaker: The amendment carries. Please call the roll on. Wheeler. Amendment two. Ryan. Hi. Gonzales

Speaker: Hi. Maps. Hi, yea. Rubio. Hi, Wheeler.

Speaker: Hi. The amendment carries. Thank you to the city budget office team for your hard work and your succinct presentation today. This is a first reading of an emergency ordinance. This item passes to second reading, as amended. That concludes our business. Thank you. All right.

Speaker: We're adjourned. Possibly a world's record here.

Speaker: Thank you