



CITY OF  
**PORTLAND, OREGON**

OFFICIAL  
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **10TH DAY OF DECEMBER, 2003** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Leonard, Saltzman and Sten, 5.

Commissioner Saltzman arrived at 9:35 a.m.  
 Commissioner Leonard arrived at 9:45 a.m.

OFFICERS IN ATTENDANCE: Susan Parsons, Acting Clerk of the Council; Harry Auerbach, Deputy City Attorney; and Officer Michael Frome, Sergeant at Arms.

Item No. 1392 was pulled for discussion and on a Y-4 roll call, the balance of the Consent Agenda was adopted.

<b>COMMUNICATIONS</b>	<b>Disposition:</b>
<p><b>1387</b> Request of Absolom Tamar Stiletto to address Council regarding carrying forward the banner of peace and for all to repent (Communication)</p>	<b>PLACED ON FILE</b>
<b>CONSENT AGENDA – NO DISCUSSION</b>	
<p><b>1388</b> Vacate the Plat of Columbia Villa and all public streets within the Plat of Columbia Villa, under certain conditions (Second Reading Agenda 1354; VAC-10014)  (Y-4)</p>	<b>178086</b>
<b>Mayor Vera Katz</b>	
<p><b>*1389</b> Amend contract with Ball Janik, LLP to provide legal and consulting services for Spectator Facilities Development (Ordinance; amend Contract No. 34506)  (Y-4)</p>	<b>178076</b>
<p><b>*1390</b> Authorize Settlement Agreement with Trillium Springs, LLC and Peter Perrin (Ordinance)  (Y-4)</p>	<b>178077</b>

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<b>Commissioner Jim Francesconi</b>	
<b>*1391</b> Authorize an Intergovernmental Agreement with TriMet in the amount of \$80,000 to manage a Jobs Access project in North Portland (Ordinance) (Y-4)	<b>178078</b>
<b>*1392</b> Declare Assignee of Lease in default and terminate Assignee's right to possession under Lease between City of Portland and TAG Investment Corp. for operation of McCall's Waterfront Restaurant (Ordinance)	<b>REFERRED TO COMMISSIONER OF PUBLIC UTILITIES</b>
<b>1393</b> Extend the terms of current Portland Parks and Recreation Board members by eight months (Ordinance)	<b>PASSED TO SECOND READING DECEMBER 17, 2003 AT 9:30 AM</b>
<b>Commissioner Randy Leonard</b>	
<b>*1394</b> Prohibit assessment and collection of parking surcharge fees from properties not registered with the City as pay and park facilities (Ordinance; amend Code Chapter 7.24.020) (Y-4)	<b>178079</b>
<b>Commissioner Dan Saltzman</b>	
<b>*1395</b> Extend term and appropriate funding for contract with CMTS, Inc. to supply qualified construction management, inspection and project support personnel (Ordinance; amend Contract No. 33997) (Y-4)	<b>178080</b>
<b>*1396</b> Extend term and appropriate funding for contract with Tetra Tech/CMI, Inc. to supply qualified construction management, inspection and project support personnel (Ordinance; amend Contract No. 33996) (Y-4)	<b>178081</b>
<b>Commissioner Erik Sten</b>	
<b>*1397</b> Accept \$208,285 grant from the U.S. Fire Administration/Federal Emergency Management Agency for Portland Fire and Rescue (Ordinance) (Y-4)	<b>178082</b>
<b>*1398</b> Donate a 1977 Mack 1250 GPM Triple Combination Pumper to Portland Community College (Ordinance) (Y-4)	<b>178083</b>

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<p><b>*1399</b> Authorize subrecipient agreement with Portland Development Commission for \$9,356,797 for the delivery of affordable housing and economic development programs and provide for payment (Ordinance) (Y-4)</p>	<p align="center"><b>178084</b></p>
<p><b>City Auditor Gary Blackmer</b></p>	
<p><b>*1400</b> Accept contract with Retirement Planning, Inc. for continued pre-retirement education for members of the Fire and Police Disability and Retirement Fund (Ordinance) (Y-4)</p>	<p align="center"><b>178085</b></p>
<p><b>REGULAR AGENDA</b></p>	
<p><b>1401</b> Create a \$100,000 Transportation and Environmental Services System Development Charge grant program for owner-operated restaurants (Ordinance introduced by Commissioners Francesconi, Leonard and Saltzman)</p>	<p align="center"><b>PASSED TO SECOND READING DECEMBER 17, 2003 AT 9:30 AM</b></p>
<p><b>1402</b> Vacate a certain portion of SW Caruthers Street west of SW 6th Avenue (Ordinance by Order of Council; C9997)</p>	<p align="center"><b>PASSED TO SECOND READING DECEMBER 17, 2003 AT 9:30 AM</b></p>
<p><b>Mayor Vera Katz</b></p>	
<p><b>*1403</b> Adopt draft findings and authorize an exemption to the competitive bidding process to the Bureau of Purchases pursuant to ORS 279.011 and City Code 5.33.560 for construction of the Mount Tabor Reservoir Replacement Project (Ordinance)</p>	<p align="center"><b>REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION</b></p>
<p><b>Commissioner Jim Francesconi</b></p>	
<p><b>1404</b> Consider vacating a portion of SE Main Street west of SE 26<sup>th</sup> Avenue at the request of Stan Link (Hearing; Report; VAC-10012) (Y-5)</p>	<p align="center"><b>APPROVED; CITY ENGINEER PREPARE ORDINANCE</b></p>
<p><b>1405</b> Accept the Portland Urban Forestry Management Plan as a guide to the future care and management of Portland urban forest (Resolution) (Y-5)</p>	<p align="center"><b>36189</b></p>

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**Commissioner Dan Saltzman**

**\*1406** Authorize an agreement with R.W. Beck, Inc. for \$1,635,717 for cost control and project oversight on the Mt. Tabor Reservoir Replacement project and provide for payment (Ordinance)

**Motion to return this item back to the Commissioner of Public Affairs:**

Moved by Commissioner Saltzman and seconded by Commissioner Francesconi and gaveled down by Mayor Katz after no objections.

**REFERRED TO  
COMMISSIONER OF  
PUBLIC AFFAIRS**

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At 10:27 a.m., Council recessed.

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<p><b><u>WEDNESDAY, 2:00 PM, DECEMBER 10, 2003</u></b></p> <p><b>DUE TO LACK OF AN AGENDA THERE WAS NO MEETING</b></p>	
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GARY BLACKMER  
Auditor of the City of Portland

By Susan Parsons  
Acting Clerk of the Council

**December 11 2003**

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **11TH DAY OF DECEMBER, 2003** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Leonard, Saltzman and Sten, 5.

Commissioner Saltzman arrived at 2:09 p.m.

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

<p><b>1407 TIME CERTAIN: 2:00 PM</b> - Consider appeals against Private For-Hire Transportation Board of Review Orders (Hearing)</p> <p><b>Motion to accept the amendment to affirm the Board on Board Order 13 as amended:</b> Moved by Commissioner Leonard and seconded by Commissioner Sten and gaveled down by Mayor Katz after no objections.</p> <p><b>Roll call on Board Order 13, as amended:</b> (Y-5)</p> <p><b>Motion to sustain Board Order 14:</b> Moved by Commissioner Leonard and seconded by Commissioner Francesconi. (Y-5)</p> <p><b>Motion to raise the ceiling for shuttle trips to \$12 from \$8:</b> Moved by Commissioner Saltzman and seconded by Commissioner Sten. (Y-4; N-1, Katz)</p> <p><b>Motion to move Board Order 15, as amended:</b> Moved by Commissioner Leonard and seconded by Commissioner Saltzman. (Y-5)</p>	<p><b>Disposition:</b></p> <p>AFFIRM BOARD ORDER 013 AS AMENDED, AFFIRM BOARD ORDER 014, AFFIRM BOARD ORDER 015 AS AMENDED</p>
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At 5:54 p.m., Council adjourned.

GARY BLACKMER  
Auditor of the City of Portland

By Karla Moore-Love  
Clerk of the Council

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

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## Closed Caption Transcript of Portland City Council Meeting

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

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

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[ roll call ]

**Katz:** 1387. I don't see him. Is he here? No. Ok. Let's wait for the rest of the council. Haiku.

**Katz:** I'm going to pull 1392. There's been a request to -- that's it. Any other consent agenda items to be pulled off? By anyone? If not, roll call on consent agenda.

**Francesconi:** Aye. **Saltzman:** Aye. **Sten:** Aye.

**Katz:** Mayor votes aye. [gavel pounded] 1392.

#### Item 1392.

**Francesconi:** Why don't you send it back to my office. We want to give these folks another opportunity here to try to do something a little different. They've contacted us, so we're going to try to work with them. So i'd like to pull it back to my office.

**Katz:** Ok. Any objections? Hearing none, so ordered. [gavel pounded] all right. Let's get to regular agenda. Item 1401.

#### Item 1401.

**Katz:** What we're dealing with, commissioner, Saltzman, is the more recent -- it's not an amendment, it's the more recent one?

**Saltzman:** Well, it's -- yes, this is a first reading, and there may be some changes we'll make between first and second. And/or third reading.

**Katz:** Ok. Go ahead.

**Saltzman:** This is a proposal to establish a systems development charge grant program for owner-operated restaurants. I think we're all aware that system development charges are justifiable means for growth to pay for growth, but our current process for calculating these fees is overly complex and presents some significant financial burdens on certain small businesses. Small owner-operated restaurants are one of the most difficult business toes get off the ground in any circumstance, and with our current s.d.c. Policy, they do pay relatively high system development charges based on their use. I think we all recognize that neighborhood restaurants and lifeblood of our city, our city's neighborhoods, and this grant program is to assist many restaurants and restaurant owners, many of them first-time owners, to fulfill their dream. The bureau of environmental services is working on longer-term changes to the system development charge for waste water, and that -- we'll be bringing forward statutory changes later on to help make s.d.c. Basically more straightforward and understandable to applicants right now. It is a little -- how we arrive at a system development charge calculation and what it's based on. So we will be moving on that later. But this is a proposal to set up a \$100,000 grant fund, \$50,000 from the transportation department, \$50,000 from bureau of environmental services, and we would form some administrative rules, but the idea would be these would go for, as I said, owner-operated, not franchises, not bars, and we would work with the Oregon restaurant association, the small business advisory council, and others to actually put forward into the rules these requirements. So I want to thank the Oregon restaurant association, the Portland business alliance, and the small business advisory committee for their input and endorsement of this program, as well as to the bureau of development services for agreeing to administer this program, and this is a pilot program. And we believe it is a step in the right direction, but we will have this pilot opportunity to really see fits going to make a difference, make

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it easier for people to start their own fulfill their own dreams, start their own business in the restaurant industry. And with that, I -- we do have people here who would have invited to testify, and commissioner Francesconi wanted to --

**Katz:** Let me just make sure that I have the right version, because it's changed. I think it's changed. I need to know a couple of things before we vote on it next week. I need to know whether it's still first-come, first-served, whether you have a means criteria, or it's just anybody that comes in will get -- will get some help, or is it the smaller ones that will get help, period? So do you have a means? And then I need to understand whether the -- because you're taking money out of the sewer system operating fund, whether that means that rates will go up slightly to repay for that portion of the program.

**Saltzman:** I have someone in my office who's worked on this, and dave is here from environmental service bureau. Do you want to respond to those -- brendan is probably in the best position to respond.

**Katz:** He knows the questions, because i've been at him --  
\*\*\*\*\*: I do.

**Katz:** -- for weeks.

**Brendan Finn, Commissioner Saltzman's Office:** We're planning on working those out, we're working with o.m.f. right now to try to identify how we're going to pay for this, and maybe veer from using the utility license fee as it stands in the ordinance right now. We may be coming back with an amendment to that for the second reading. So we're going to work with o.m.f. to try to identify a way. Did you want to add on to that at all?

**Katz:** Identify yourself.

**Dave Cooley, Bureau of Environmental Services:** Dave cooley, b.e.s. The amount of funding is \$50,000, ultimately it comes from rate revenue. It's an amount that wouldn't make a measurable impact on the -- on the rates.

**Katz:** Well, as I said, I -- unless you figure out some other way of paying for it, because it could -- if it works, and that's another thing I want, I want to know, how do we know -- what's -- what are we going to measure? Is it success over two years, one year, since a lot of restaurants do unfortunately have a high failure rate. So how are we going to measure whether it's successful, because what I worry about is, if we are successful and we have the measurements, this will expand, and we are waiting for your study to come back, so that we don't raise everybody's rate to pay for a small component of the universe.

**Finn:** One of the things about the proposal that we're going to check back with the people that have qualified for grants and what -- they would have -- b.d.s. Would be contacting them every year to provide the documentation they're still in business. Basically what we're doing is buying the credits that are associated, s.d.c. credits. So we would keep those credits if the business went under. The credits would come back to the bureau of environmental service and could be recycled to other folks that qualify for the grant program.

**Katz:** Have you thought about loaning them the money and having them pay back, once successful?

**Finn:** That was something the office of management and finance brought to us, and we thought it was a great idea, and maybe something we should bring forward when we bring through the other changes that we're planning on bringing forward at the end of the fiscal year.

**Katz:** Fair enough. I'd like for you to take a look at all of those options.

**Finn:** Sure. Great. Thank you.

**Francesconi:** Let me just address this, I don't think transportation needs to testify, but from transportation's perspective, I appreciate commissioner Saltzman's introduction, and working with you on this, and everything he said except the funding mechanism applies to transportation. On the



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lending, let's start with the last thing n. Order to try to help locate an employer here that's been in the news, we are going to make some slight code adjustments that we're going to bring forward that allow lending, allow paying it over time, mayor. And so that adjustment is already coming. It's separate from this, but i'm just responding to that question. What we're really trying to do, small restaurants disproportionately pay, according to the formula we've got, especially -- so we're trying to help neighborhood businesses that are important. We can't just not collect it, because then it's illegal. It throws out the whole funding system, so we are going to review the whole s.d.c.'s, and we can tell that this one, this area is going to need some adjustments. But it's a very long and complicated process to do that, so we decided to fix a problem right away as a pilot, as we then look at the adjustments of the s.d.c. That we're going to make to try to help smaller businesses and neighborhood businesses that don't get some of the transit oriented discounts that the central city does. And so that's why we're going to do this. And so -- and the other point I would make, there's not a great demand on this. It's not like the demand is going to be so overwhelming of the small grants program.

**Katz:** All right. Let's open it up for public testimony.

**Irwin Mandel:** Good morning, irwin mandel. Mayor, you stole my first item. How do you measure a pilot -- success or failure of a pilot program? I spent a number of years in medical research doing research, and evaluating experimental procedures. What is your criteria for success in a pilot program? It seems to be a big mystery. What is your criteria for failure? Is there such a thing as failure? This is a totally flawed issue. Point two. I have three points. Pulling \$50,000 out of transportation in order to fund this, well, transportation bureau is also responsible for filling potholes in this city, and they have gone noticeably unfilled due to the cutback in the budget for the bureau of transportation as it is. So if you are willing to pull another \$50,000 out, and leave more potholes unfilled, we can have more people driving in, breaking ties, rims, struts, axles, and pedestrians trying to cross streets falling into the potholes, and I hope that doesn't end up as a lawsuit for the city. The second issue for transportation also in charge of street lighting. I regularly call in to the lading bureau about street lights that are out as I walk through the city. Several weeks ago I called in a whole batch on the south park blocks, and two weeks later nothing had been done. I called back again, and they were very nice, but very apologetic. Due to the cutback in funds, it was a cutback in staff, and they can't get around to repairing to replacing the burned-out bulbs in the city as fast as they used to do. This increases the lack of safety in the city when you have blocks, and there's one block in particular between jefferson and park -- I mean on jefferson, between broadway and park, two cobra-headlights, both of which are out. And that light is dim. So you are pulling another \$50,000 out which will produce longer delays in replacing street lighting, adding to the impaired safety in the city. The third point i'd like to make, I think this whole proceeding is in violation of Oregon open meetings law. As I look at the resolution that has been passed out, it's signed on the back, passed by, three commissioners. They already have the vote. The Oregon open meetings law says a quorum of members of any body cannot meet in closed session, discuss substantive matters and come to a decision without a public hearing. This decision has been made without a public hearing, and clearly according to the signatures on on back of this resolution you can't do that.

**Katz:** Thank you.

**Lili Mandel:** Lili mandel, 1511 southwest park avenue. This entire proceeding is a farce. He's just mentioned it, it's been passed by three people. Can I finish?

**Leonard:** There's a misunderstanding.

**Katz:** We'll clear it up later. Start her time all over again.

**L. Mandel:** Ok. This has three people -- three people have decided, and talked about this. There's been I understand -- i've been made to feel very much better, there's been input from people who are

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going to be affected by this ordinance. I think that's wonderful. That's terrific. But the public has not really -- we cannot even be sure we're going to be listened to, because we don't have to be listened to. This has happened here before. We get up here, and we could be just completely wasting our time. Now, I know I'm up here, I feel I have to say this. Because this is an awful way to conduct business. Well, let me go and deal with something anyway. Just for the hell of it. One of the first section here about owner-operated restaurants contribute greatly to the livability of our neighborhoods, ok, I mean, this is a value judgment that can be discussed and brought out in the open that maybe -- I don't agree with this, that we have a starbucks opened in our neighborhood and produces great livability, the students use it, the neighbors use it, the people -- Oregonian uses it. This is all debatable. But we're now presented with this -- with a greatly -- the other -- there's not at all. Then there's this -- the bureau of development -- it's all been decided here. The bureau of development is going to establish a method for resolving disputes over grant awards. No oversight by the council, no input by the public, this is a nice little fiefdom. Terrific, wonderful. The other bureau has decided, the money comes from here, the money comes from there, we've decided this all ahead of time without even having to bother to listen to you. Well, it's gift giving time in the city, it's december right now, so I will give gifts in december, but remember, I will collect your vote in may. Thank you.

**Katz:** Do you want to clarify that?

**Leonard:** If you look on on the back of any ordinance that's introduced, it has the introducors listed there. You look at the back, that just is the -- that's who sponsored the ordinance.

**L. Mandel:** There aren't three votes here.

**Leonard:** The -- this just represents who introduced the ordinance.

**L Mandel:** And there aren't three votes here. I'm going to --

**Leonard:** We have a right to introduce --

**L. Mandel:** There are no three votes.

**Leonard:** We have a right to introduce ordinances. We sponsor them.

**L. Mandel:** Absolutely terrific.

**Katz:** Ok. All right. All right. Let's stop that. Let's keep going.

**Simon Tomkinson, SBAC:** Good morning. My name is simon tomkinson, i'm representing the sbac this morning. We have a letter we wrote to clarify some of the issues on this issue. As well as some of our recommendations. Over the last year, our cost of doing business committee for the small business advisory council has been reviewing ways the city may assist small businesses in lowering the cost for opening and running small businesses. Well, many have complained that the city's more expensive to do business in than elsewhere in the state or country, yet little verifiable information has surfaced to actually prove this point. I believe we have identified an area of concern certified as burden and with the assistance of commissioner Francesconi's office and commissioner Saltzman's office, identified some ways the city can make a real difference for small business owners. The s.d.c. grant program for operated -- owner-operated restaurants targets a specific constituency that is severely impacted by current systems development charges. The proposed grant of \$10,000 alleviates a business condition that many would call the perfect storm. A low margin business with high start-up costs and inventory costs, and low survival rates. Paired with some of the highest s.d.c.'s charges that the city can assess. These s.d.c.'s fees affect the owner to exactly at the fledgling business's most vulnerable time, at start-up, and operating capital is low. As designers for these types of projects, my firm has been seen time and time again how these high s.d.c. Charges affect the bottom line. While other businesses are impacted with these same fees, the size and impact on on the restaurant sector clearly has an impact on on decisions of businesses to stay in Portland. In a recent project proposed for a new building, in the pearl district, the s.d.c. Cost amounted to \$77,000. An amount that made the no-go decision for the owner very easy. It

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was 10% of their capital. Over the last three years in our office, four projects have been put on hold or cancelled due to s.d.c. Costs alone. In combination with a ruthless economic environment, the s.d.c. Fees are creating a situation that's having an effect on the make-up of the city. While the restaurant sector is vital to the life of our neighborhoods, they also have a deep impact on the economics of the city itself. According to the Oregon restaurant association in 2001, there were 2438 restaurants in the metropolitan area. Employing 30,337,000 employee was a combined annual payroll of 413 million dollars. If beverage and food sales are combined, they amount to an estimated \$1.16 billion of sales. Restaurants also provide the training ground for future entrepreneurs in the industry where many people earn their first paycheck and get vital training for other sectors in the economy.

**Katz:** Have you about 16 seconds. Did you have -- did you also say you had recommendations?

**Tomkinson:** Yes.

**Katz:** I'll allow you to go to the recommendation and cut out the other information.

**Tomkinson:** Specific -- suggested by the sbac, the focus on job creation and existing or --

**Katz:** Recommendations.

**Tomkinson:** Yes. The following guidelines have been suggested. One to make the program contingent on the health department approval and in the case of establishments serving alcohol, olcc approval. The mechanisms within those bureaus -- bureaucratic departments mandate certain liability constraints. To make the program contingent on building permit approval, not submission, in order to make incomplete permit submittals null and void. To make the program readily available to applicants by coordinating information given to building professionals and to city staff about guideline and approvals necessary to qualify. And to also make the location in the neighborhood for the establishment a criteria for approval. Review through a fair and transparent process. We don't know what that is. I think the key here is that the gist of this, we believe this is a job creation program. We want to support anything that supports small business --

**Katz:** I just wanted your recommendations. Thank you. Let me ask you a question, maybe we ought to eliminate s.d.c. charges?

**Tomkinson:** Well, that's a long discussion. But I think the development process requires us to charge for some development fees because of the infrastructure costs. I don't know how to do that. But right now the way the calculations are actually set up, people who use -- who are high occupancy, many trips, for instance, in transportation, and high water use, restaurants being actually the top of that, are --

**Katz:** It is a cost of doing business, but -- and that's probably why the s.d.c.'s are high in the restaurant business, because of the cost of doing business. But if it is such a deterrent as we look when we try to bring companies here or have companies expand, we go back with the help of transportation and b.e.s. and water to try to reduce s.d.c. charges, so maybe as the study goes along, you may want to consider it, and then figure out some other mechanism to deal with growth. I don't know. I'm just raising this issue.

**Tomkinson:** The key is the s.d.c.'s provide a vital function.

**Katz:** I understand that.

**Tomkinson:** But within -- in this scenario the smaller restaurants are really hit. The larger chains aren't necessarily impacted.

**Katz:** Thank you. Okay, let's keep going.

**Connie Hunt:** I'm connie hunt with the east bank saloon. This is a really special day for me because I think it's the first time i've ever been here with good news and a happy face, because i'm here to support this grant program that's been introduced today. And I wanted to tell you why. My husband and I started the east bank saloon 25 years ago. We celebrated 25 years in business on halloween night. And the restaurant industry, that's kind of like dog years, 25 years is a long, long

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time. So I think we've got a lot to tell you about doing business in the city of Portland and this particular industry. 25 years ago when we started, we entered into a blighted building with very little operating capital. A lot of what we put into that building and that business is sweat equity. So we -- because we just don't have the money. If we were going to do today what we did 25 years ago, we couldn't do it. We just couldn't do it. And we've talked about that over and over again, that we are living what I truly believe is the American dream. It's a wonderful industry to be in, it's a great service industry, and I love it. It's hard, it's challenging, it's like having a 25-year-old infant every day of your life. You're up late, you're in a different -- in at different hours, but it's a wonderful, worthy business to be into. The thing I didn't consider at the time that I have come to conclusion now 25 years later, the bigger picture is that I've done more than just create a really nice life for me and my family. I've created jobs, I employ 26 people now, that's grown from the first five employees when we first started. Having the East Bank Saloon has been able -- we've been able to create other businesses. We bought and sold I think five different restaurants across the state of Oregon. And that's a big deal. That's more job creation. And then when I think, you know, about the even bigger picture, we have multiple purveyors that we're working with, that we do business with that creates more and more jobs. And we're buying equipment, and we're doing a huge investment in this community beyond just our little special corner of the world. I would really like other people to be able to explore the option of living this American dream. What you are proposing today I truly believe is offering that to people like me. The mom and pops across the city who couldn't do it otherwise. They need these small breaks, and what you're doing is giving the heads-up to business in this community, especially small business, and I applaud you for your efforts, and I thank you not only as the vice chair of the Oregon Restaurant Association, but as a member of the Small Business Advisory Council, and as a mom and pop operator in the city. So thank you very much.

**Katz:** Thank you.

**Karen Mainzer, Oregon Restaurant Association:** Mayor Katz, members of the council, for the record, my name is Karen, I represent the Oregon Restaurant Association. The Oregon Restaurant Association enthusiastically supports this proposal. We applaud commissioners Francesconi, Saltzman, and Leonard and those members of the council that support this proposal for recognizing the importance of restaurants as a cornerstone of our local economy. We've long said the way to get out of an economic recession is to do things that lend courage business development and job growth and that's exactly what this pile of -- this pilot program will do. This will help more than just the restaurant industry. Statistics show every dollar spent in Oregon eating and drinking establishments generates an additional dollar and -- \$1.66 spent in other Oregon industries. We understand many details of this proposal in terms of the implementation and administration will be dealt with through administrative rule. We think commissioner -- thank commissioner Saltzman for encouraging the bureaus to solicit our comments and we hope to be part of that process. The Restaurant Association commends the council for realizing that new and expanding owner-operated restaurants are key component for economic recovery, and the reduction to their start-up costs could be the deciding factor for a business owner contemplating getting into this industry. We believe these grants will have a tremendously positive impact on the businesses that receive them, and the Restaurant Association looks forward to working with you in the future and evaluating this pilot program, and hopefully enhancing it. Thank you again for this innovative proposal.

**Katz:** Thanks.

**Michael Anderson, Community Development Network:** My name is Michael Anderson, and I'm happy to be in front of you as a representative of the Community Development Network. In support of this proposed exemption. We think in these difficult economic times to find a way to support small business owners makes a lot of sense. So we hope the city council is able to pass this s.d.c.

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exemption today. We also hope that the same b.e.s.-s.d.c. exemption could be extended to affordable housing development as well. In the middle of the 1990's affordable housing have this exemption. At that point we were looking for the long-term funding source and we came with up with the housing investment fund. As part of that we removed this exemption with the idea being that the h.i.f. would pay for the cost to affordable housing development, and then as the permanent fund came in, more or less -- as the permanent fund came in. That would cover the difference. The bottom line is, very similar to small business owners and particularly mom and pop restaurants, affordable housing development operates on the margin. The difference between a project being able to get off the ground and not -- is often comes down to the smallest amount of dollars where an exemption like this can make a real difference in providing housing and stability for Portland families. And so we think as we applaud you for making this move to adjust to these difficult economic times, that you in a future date would consider extending this exemption to affordable housing development. Thank you very much.

**Katz:** Thank you. Anybody else want to testify on this? All right.

**Sten:** A little council discussion? I just -- more a comment, because we're not going to vote today. I like the intent of this, and have not decided whether i'm going to support it or not, since there's going to be a couple more weeks of work, I wanted to put a couple things on the table why would I not support. This the first is that I want to see when we say it's a pilot program, what that means for the next step. Because i'm becoming increasingly concerned that in the well-intentioned goal of helping the economy, we're doing things that add up to a lot of money and don't really do anything for the economy, i.e., symbolic. Having a program for \$100,000 for whoever walks in the door first is as likely to piss off the person who walks in the door sixth and doesn't get anything as it is to spur the economy.

**Leonard:** I didn't say that. He said that.

**Sten:** I want to see -- see whether or not it's -- this is something that's going to lead to an actual program or it is just going that we're doing to make ourselves feel better if it's the former, i'm not convinced I should support it. I'm not giving anybody a lecture, it's just that this is moving quickly and I wanted to give my sense out. I would really like to have this as a stepping zone, not just around affordable housing issues, but really looking at the system and development issues. I've been frustrated for years at the fact, it's not news to anyone on this council, that different bureaus treat waivers differently. And I think it's an absolutely absurd position that this council has let this go on. Some bureaus say it's illegal to waiver s.d.c.'s, while other bureaus a ho are in the same business waive those s.d.c.'s. I think if we're going to look at s.d.c.'s, we ought to do something across the board, figure out as a council what are the things that we believe are appropriate and legal to waive, I think the best thing for a business climate and a policy climate, whether it's affordable housing or trying to get more investment dollars as a community, is clear policy and predictability, and I think we don't have that right now, and I think we need to get that. So if we can use this proposal as a spur to get after some of the underlying, what is the city's policy, what is the infrastructure, what is an ongoing plan rather than, you know, throwing things at what is clearly a problem with this economy, then I will gladly support this. If it's a standalone measure i'll vote no.

**Francesconi:** Let me respond. As I said at the beginning, commissioner Sten, it's not part of a start-alone. I've said it, commissioner Saltzman said it. The issue from a transportation standpoint, we have important infrastructure we have to pay for and maintain. And I actually appreciated the comments about the potholes. That's actually the biggest problem. So we got \$4 million from the legislature to put into fixing the potholes. The question is, is it fair for small businesses in the -- and the one I was concerned about, again, another example, in mississippi, a business district that we're putting money into to try to help, and here we've got a \$23,000 system development charge on

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a restaurant that's trying to locate in mississippi in a part of town that we're trying to help. So the question is, is it fair for that small business, as we're trying to develop small businesses in mississippi, to pay \$23,000 when we have a transit oriented development in downtown and many large employers pay \$23,000. So that's why we're doing a systematic review of the system development charges for transportation, and this is to relieve some hardships as we do the overall review. And that's what i've said, and that's what i've -- that's what I mean. That's what transportation is going to do. On the second point about affordable -- so the issue here is, we have two issues. One is jobs. Three issues. One is jobs, the -- two is affordable housing, which is a separate issue, and the third is, our system development policies. And how we're going to apply it. And that relates both to jobs and housing. I -- parks is a little frustrated on the systems development charges for housing. For low-income housing. Because they're one of the few bureau that's gives up a whole lot of money for low-income housing. So parks generates a total of about \$2 million and they give up a million dollars for affordable housing, other bureaus are not doing it. And so I share that issue with you, commissioner Sten, that there does need to be an across the board policy. But that doesn't take away from that small business owner in mississippi who's trying to start a business and we're trying to give some temporary help while we redo the policy.

**Sten:** Do you have a timing for -- it seems if it's unfair for small businesses to pay \$23,000 fees, then having two of them who hear about this not pay the fees, and the other 100 that start this year pay the fees, or whatever it is, doesn't seem like it does anything.

**Francesconi:** It's not a big problem, that's why we're doing this pilot --

**Katz:** I'm going to --

**Francesconi:** Because there's not that many.

**Leonard:** And I agree with that. That it isn't fair to help some. My proposal actually, and it goes to what the mayor just asked about, is based on the following -- if you understand that the concept of system development charges was created for new construction, and its impact on the infrastructure, it makes some sense. Because if you have a certain number of houses or occupancies in a given jurisdiction and you build a brand-new subdivision that hooks up to that system, it's going to have an impact on that. Somehow the city of Portland has extended that to existing structures. So that you have this person who came to our office, and charges actually \$24,000, not 23, from mississippi on the corner of mississippi and shaver to open a restaurant with a building that's been there for 100 years. And somehow we've come up with this charge how logically we've got there to say that because you're going to open a restaurant in a building that's already been there that's been discharging in the sewer and using the water system, the street system anyway, we're going to charge you another \$24,000 defies logic to me. I was in the legislature when we debated the concept of system development charges, and it was for new construction. So we've got to the point where the pizza place on hawthorne moved from one side of the street to the other and the \$36,000 that guy was charged was a system development charge. From one existing structure to another. Somebody explain the logic to that -- of that to me. When I asked that question here the day when we had that gentleman here, of transportation and others, ok, tell me how that \$36,000 gets spent to improve the infrastructure. How do we spend that money specifically? Is the answer I was given, we built the failing street pedestrian bridge over i-5. Ok. Connect the failing street pedestrian bridge over i-5 with hawthorne and 33rd, where this new pizza restaurant -- I don't get the connection. So I agree with commissioner Sten, that we shouldn't just limit this to a few restaurants, I think it should be extended to any existing structure in the city. For instance, I can go on all day.

**Katz:** No, no, no.

**Leonard:** King boulevard. We were trying to attract new businesses, and we're doing it. In spite of what some people say of this not being a business friendly climate, we're bringing new

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businesses from out of state to Portland. We've got king bicycle, the low -- to locate from northern California to Portland, Oregon. Made the deal work for them, got the permit system set up for them, worked with commissioner Francesconi, and Saltzman's office to work out -- and guess what happened? They got hit with a \$14,000 system development fee to move into a building that they're going to provide 100 jobs in that already exists. That's been in the northwest industrial area for who knows how long. And we're going to hit them with \$14,000. To me it just doesn't make sense. There's no nexus between what we're charging and -- and then what benefit we get. So we've basically got a company with 100 jobs that wants to bring them to Portland who we're penalizing to --

**Katz:** We'll bring them in.

**Leonard:** Well --

**Katz:** You're giving an example.

**Leonard:** I am bringing them in but what I'm saying, how many businesses don't come when they call and find out what the s.d.c.'s are? That's the question. If this teacher on the corner of north shaver and mississippi would have found out she was going to owe \$24,000 before she quit her job being a teacher, that would still be a vacant building on the corner of mississippi and shaver, and who wins there? Nobody.

**Katz:** All right. This is the kind of discussion that should occur before we come in with any pilot project, because I think the issues that commissioner Leonard raised, and commissioner Sten raised, and all of you have raised are Really at the heart of the matter. Are we doing the right thing, are we measuring, are we assessing these fees in the right manner because supposedly they were going to relate to cost of service. Now, if they're not relating to the cost of service, we need to reexamine the whole thing. I don't know if I will support this for the same reasons that commissioner Sten raised until I get answers that I've asked with regard to -- let me review them, because I think they're important. How are you going to measure success? How are you going to resolve the funding? Transportation doesn't have money, and I'm not going to sit here and say I'm going to raise sewer rates or water rates to fund this, so figure that out, or criteria for selection, a means testing -- the information that the gentleman who testified here came up with, recommendations, and I'd like to see a quarterly report as to who will benefit by probably the 10 grants that you will give, because if I know this council, if this appears to work, it will be extended permanently and it will be more than 100,000, and it will be done without a discussion with regard to the policy issues that all of you have raised.

**Saltzman:** We will definitely come back with answers to all your questions, and I think the broader discussion that's been evoked by this small pilot program really designed to help some small owner-operated restaurants start and help the city in so doing, is good. We haven't -- I think this may be his -- you may characterize this as the cart before the horse, but maybe this is what gets us to discussion of the larger issue of s.d.c.'s, is this small pilot program we're doing today, because I don't think in the time I've served here we've ever had a broader work session that deals with issues about why some agencies waive s.d.c.'s, others don't. The wisdom of charging s.d.c.'s when somebody moves across the street in existing infrastructure I think these are all questions, and I think we all recognize s.d.c.'s do have a role. Growth should pay for it, at least part of its impacts. But these are a lot of good questions, and I think we should have broader work sessions. B.e.s. is bringing forward -- to make our calculations more straightforward, but I think this would be a good topic that the whole council should engage in, and maybe this is just one small spark toward making that happen.

**Katz:** Ok.

**Saltzman:** We will have answers.

**Katz:** And we'll have further discussion when we come back.

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**Francesconi:** The other piece that's missing that we need to -- it's following up on commissioner Leonard's point -- we need the economic analysis done by an economic development agency, which is p.d.c. They're the ones that need to tell us where does -- where do system development charge fall versus property taxes, versus other things. And they also have to look at the regional, at the other cities to see how ours measure with other cities that all have s.d.c.'s. On that last point, that's the point all of our bureau, have been careful. I think we're in the middle, if not the lower end of most s.d.c.'s. I could be wrong. But every jurisdiction has s.d.c.'s, and ours are not the highest in any of these areas. I do agree, we need more of a sophisticated look about what it is -- what is the barrier.

**Katz:** Ok. Passes to second. Let's go 1402.

**Item 1402.**

**Mark White, Office of Transportation:** Good morning. My name is mark white with the office of transportation. This is the vacation that was heard by the council last week. This is terwilliger plaza's, the petitioner, to vacate the portion of caruthers. The council approved it last week and this is the first reading.

**Katz:** Anybody want to testify? All right. It passes on to second. I think everybody's aware of this issue. 1403.

**Item 1403.**

**Katz:** As you all know, there will be two of these that will be pulled, one is under my authority, the other one is under commissioner Saltzman's, so i'm requesting that 1403 be returned to my office. Any objections? Hearing none, so ordered. [gavel pounded] 1404.

**Item 1404.**

**Mark White:** My name is mark white, office of transportation, right of acquisition. This is -- i'm here this morning to present the vacation of southeast main street. This is a small portion, a 25 by 30-foot -- 25 foot by 30-foot stub, and the petitioner owns the property to the north and the south, and he has stated the purpose for this vacation is to consolidate those properties. And the office of transportation sports this vacation, and I haven't received any notice of opposition.

**Katz:** Did you not receive any notice?

**White:** No.

**Katz:** Does the council have any questions? Is anybody here to testify? Does council have any questions? I'll take a motion. Commissioner Francesconi?

**Francesconi:** I'll move that we adopt the findings. Accept the report. What am I doing?

**Katz:** You move to accept the report and prepare an ordinance for the council's actions. Do I hear a second?

**Leonard:** Second.

**Katz:** Roll call.

**Francesconi:** Aye. **Leonard:** Aye. **Saltzman:** Aye. **Sten:** Aye.

**Katz:** Mayor votes aye. [gavel pounded] 1405.

**Item 1405.**

**Francesconi:** These are volunteers, well, one volunteer, and they don't get recognized for all the value they contribute to our neighborhoods, to the beauty in our city, especially to the environment. But they do a lot of good work, and it's being integrated into a broader strategy about how we become a sustainable city. And this is really one of the most important ways we can do it. So thanks for the work you do. Go ahead.

**Dave Johnson:** My name is dave johnson, I am the chairman of the urban forestry commission. And I just wanted to thank you, commissioner Francesconi, for your support on this. This was a real collaborative effort across bureaus, though, so thanks to all the commissioners here. This was a revision, it was a five-year plan, this was a very vision -- revision to update it to highlight the



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benefit that's trees provide, the endangered species act as well as the clean water act. I want to thank rob and also brian mcnerney for all their work in this process. Thank you.

**Katz:** Ok. Go ahead.

**Rob Crouch:** My name is rob crouch, I would like to thank all the partners who are -- all the different bureaus. Especially jim middaugh the e.s.a. Program, he helped fund it, and it wouldn't have happened without that. Also nancy from Portland parks, who helped with her intern, jennifer, of university of Oregon grad student. They put -- collected all the information and collated it, put it into a nice management plan, and i'd like to urge you all to pass the -- pass it, and thank you for your support.

**Katz:** Before I forget, you know, we're going to need your help on the management of the trees on the transit mall here in the downtown as we begin doing the urban design for the renovation of the mall. There's been some discussion about how to handle some of those trees, and how to prune them. So I want you to begin thinking about that and maybe talking to staff at pdot as we proceed. We're almost getting to that point right now. Ok.

**Francesconi:** Is there just one key, one or two key recommendations that you want to highlight to get us to focus on more to try to help accomplished? Is there anything you want to -- anything jump out at you you want to highlight?

**Johnson:** Yeah. Probably the -- it's to protect and preserve and enhance our urban forest, what really came out of this collaborative effort was that we wanted to focus on -- we're real good at putting regulation in place, we really wanted to focus on education. Let that be the primary mover and the neighborhood tree liaison program was developed out of that. It's really an outflow from the urban forest management plan, and right now we've had over -- 150 neighborhood tree liaisons out of all of our neighborhoods that are active in promoting and providing care for the trees in their neighborhoods. That's quite an accomplishment, that it's not just staff generated. And we've got neighbors concerned in their own neighbors about how to care and provide for trees. So that would be the one highlight that we have, is to continue that collaborative effort across bureaus and to involve neighbors.

**Francesconi:** Ok. Thank you.

**Katz:** Jada mae.

**Jada Mae Langloss:** It's really hard for me to get here on time. If i'm ever able to. But when they discussed the forests, urban forests in Portland, that's one of the reasons that people will come here to the Portland area, even though it has no -- low jobs, gross hunger, they come here for the beauty of the paradise that we have here. And this paradise could even be enhanced through this tree people by planting nuts and fruits. And let the prisoners gather the nuts and fruits so we can be more self-sustaining. I'm living in a little area that is trying to be self-sun stain -- sustaining. It's very hold. Living in a bowl, that if the river comes up, or the -- we're the first to drain drown that. Is what happens to the very poor people in this area, is they get the marginal property that is poisoned from the manufacturers, and I think we should turn half of our drug cops into environmental cops. And stop persecuting the poor for not being able to pay taxes and for making mistakes. That is perpetuated job security for the judicial system, depends on so many laws that are so easy to break if you have no money, no place to go, i'm -- i've adopted these people and they've adopted me. It's very hard for me to get here because it's so toxic down there. But if the manufacturers that toxify the place in the first time would take some responsibility to bring fish back into those toxic streams so we could go fishing for our food instead of wondering what the heck is in there anyway. We have to do it. In the industrial area, we have to put the forests back. And then -- in the industrial area, in the toxic waist dumps, as well as anything else. And create self-sustaining communities. Will which schools could be doing too, to cut the costs of schooling, they could plant their own food. They could harvest. They could -- they could sell their products.

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They could become self-sustaining from the little on up instead of a burden. The only thing they are learning right now is more computers. Do you know what computer trips do -- chips do to the water? Poisons. There is more to life than computers and t.v..

**Katz:** Thank you.

**Langloss:** That's my story for you today. I've got a lot of other ones.

**Katz:** I know you do. We're open to hear them. Not right now. Not right now.

**Langloss:** You got to get on with your business.

**Katz:** But you're always welcome here. All right. Roll call on the resolution.

**Francesconi:** Really, thanks for continuing to advance the cause of urban forestry. You're making headway. We're making progress, and brian, thanks for all the work you do. Aye.

**Leonard:** Aye. **Saltzman:** Good job. Aye. **Sten:** Thanks. Aye.

**Katz:** Mayor votes aye. [gavel pounded] thank you. 1406.

**Item 1406.**

**Saltzman:** I'd like to request this be sent back to my office.

**Katz:** Ok. I do hear a second?

**Francesconi:** Second. Commissioner Saltzman, I -- you did good -- I admire you on this.

**Katz:** Any objections? Hearing none, so ordered. [gavel pounded] we stand adjourned until 2:00 on thursday.

At 10:27 a.m., Council recessed.

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## Closed Caption Transcript of Portland City Council Meeting

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

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

**DECEMBER 11, 2003 2:00PM**

[ roll call ]

**Katz:** I apologize for being late, I was meeting with commissioner Saltzman on our weekly -- monthly meetings, and we got carried away. We are opening up the upstairs balcony, so please feel free to go upstairs and take a seat. If you're going to be -- it's much more comfortable up there than standing down here. If you're going to be testifying, we will be calling your name in advance. So when you hear your name in advance, you'll be able to come down. All right. Item 1407.

**Item 1407.**

**Leonard:** I appreciate everybody coming this afternoon. I'd like to give some opening remarks and then we have a couple panels.

**Katz:** You also have an amendment that you -- why don't we deal -- do you want to identify what it is first?

**Leonard:** We have three appeals on different board actions taking -- taken by the bureau of licenses with respect to towncars and the action that we take today is as to whether or not to uphold the action of the board or overturn it. So after I give these remarks we're going to have a city board presentation that will take approximately 30 minutes, and the appellants will be given 10 minutes each. The Portland for-hire transportation market has more shuttles, taxis, and towncars than the market will adequately support. The market is overburdened in large part due to a large number of unpermitted shuttles and executive towncars in the city. The overburdened market creates too little demand for the large number of vehicles, which is caused both shuttles and towncars to illegally compete with taxis for the same rides. The measures that we have developed by the for-hire transportation board of review, which was created by the council and consists of representatives from the taxi, towncar, and shuttle industries. Many towncar and shuttle operators have knowingly operated without the proper permits and have operated outside of existing code to the detriment of operators and drivers who have followed the rules. Our market conditions combine with the extensive infrastructure requirements imposed by the city on the taxi industry causes many taxi drivers to drive up to 18 hours each day in order to earn enough money just to get by. This is in large part due to the unfair burden that the illegal practices that unpermitted towncars and shuttles employ. City code requires the towncars charge rates that are significantly higher than rates the taxis charge. Yet we have received plenty of information that indicates that many towncars are charging taxi rates to and from the airport and sometimes less. It is important to all that law-abiding members of these industries -- to all law-abiding members of these industries that we assure that shuttles are competing with shuttles, and taxis with taxis and towncars with towncars. These measures will hope to restore fairness in our private for-hire transportation system. I want to emphasize what we'll be discussing today is not new ground. The city has long before I had responsibility for the taxi and towncar industry required that they operate with permits, that they operate at certain price levels, and that they comply with the rules of the bureau of licenses. The difference is that we're actually now enforcing these rules. And for those of you that are here, that difference is going to be the rule of the day from now on. We are going to enforce the rules on the industry. So at this point i'd like it if our first board could come forward, which is ray miles, bob wagner, port of Portland I think has a representative, justin dune. Please come forward.

**\*\*\*\*\*:** Would you like a few more chairs, or would you like us to cycle up?

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**Leonard:** Let's do that. Ray, maybe could you lead off and let us know who you are and who you represent in this capacity.

**Raye Miles, Chair, Company Standing Committee:** Sure. I'm rae miles, i'm the chair of the company standing committee, which is a committee that serves the private for-hire transportation board of review. I'm also the general manager of Broadway Cab. The company standing committee is a new company this -- committee this year, approved last year by council, and it is comprised of eight general managers, two come from the executive sedan and town car industry, two come from the specially attendant transportation industry, two come from the shuttle industry and two come from the taxicab industry. So it was designed and does reflect an industrywide perspective. I wanted to talk a the bit about why both that committee and the industry feels this regulation is necessary. I think everybody understands the really broad reasons for regulation, which is to ensure that the drivers are safe, they're insured, that they're --, you know, operating within reasonable guidelines. The average citizen expects the city is doing that. What is more esoteric and harder to grasp sometimes is the tenuous balance between what I call sort of low overhead, high profit trips, with high overhead, lower profit or nonprofit, no-profit trips, and the low overhead ones are clearly the ones that don't require a dispatch system, that are run back and forth kind of between the airport and the downtown area. The higher overhead trips are the six-block grocery runs that are critical to our city's livability and the quality of life for our citizens. As there is this balance, as the higher profit trips are sort of scooped away, it does slowly but surely drive up the cost of those high overhead trips or the no-profit trips. While that market doesn't fluctuate day to day, it does over a time drive how often and how much taxi meter rates must increase for companies to be viable. This year when the committee first started, our work plan included several components. One is, we felt if it's important enough to regulate, which I think everybody agrees, it's important enough to do it in a manner that is enforceable. We also felt as an industry that there were -- there was much noncompliance and we needed to help the city identify the noncompliance and make some recommendations on what to do about it. And we wanted to suggest changes to the code that would make it more enforceable. And in order to do that, we felt it was critical that we help identify and clarify the differences between taxicabs, executive sedans and shuttles. We certainly didn't start out intending to set flat rates. As we kicked around ideas, that became what we felt was the most viable alternative. Specifically in one area of the code it talks about these rates need to be substantially more, and these need to be less, but it never defines substantial. So when our drivers or companies call in and say, I think i've noticed a violation, the city would -- the city staff would rightly say there's really nothing I can do. That is subject to interpretation. So we wanted to remove some of the interpretation -- some of the components open to interpretation. And like I said, we debated various solutions, and we settled on the flat rate between downtown and the airport for a couple reasons. One is, it is the most corrupt segment of our industry. There is a lot of corruption. There's a lot of payoff that occurs. I don't think that's news to anybody. We felt like this really sort of targets where the problem is without going beyond the scope and really unnecessarily tying the hands of legitimate companies who are trying to build a sound business model. We also felt it could be easily enforced, and that it can fairly simply be communicated to travelers and to hotel staff so that they likely can and will help with enforcement. I think most people, if they understand the issue, will do the right thing. So the committee actually first took this on in February, and I know you got a lot of packets of information, included in that is a one-page summary of everybody that's on the company standing committee, and just the briefest outline of what we went through this year, getting to this point. And we started on February 10, is when we laid out our work plan for this year, and over the course of the eight months from then until September 10, we met repeatedly, took public testimony, repeatedly, actually drafted, redrafted, cross-drafted the -- our recommendation multiple times based on the feedback we got. We included both formal

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opportunities to comment and informal, our drafts were at least monthly and sometimes more than once a month distributed throughout the industry to help get feedback. So finally in september of this year we presented to the private for-hire transportation board of review, and in fact from that point it went through several more months of debate and discussion before they finally last month approved it. We believe that this solution is for the public good because the flat rates will help define industry segments. And discourage providers that license as one type, but are in effect providing another type of service. I believe in hindsight the city should have taken a firmer stand when the very first disgruntled cabdriver realized they could buy a black car and at that point avoid regulation entirely. That was probably somewhere around eight yeau5epgo. That the very first person realized, you know, if I don't call myself a taxi, I can continue to operate with really no regulation. And i'm not really talking about circumventing the sort of what I call more esoteric code regarding rates, i'm talking about insurance, background checks -- it wasn't until commissioner Francesconi took a stand I think two to three years ago that we really even started saying, you have to have insurance. You have to have commercial grade insurance. You can't just ensure as a private vehicle. So we've come a ways, but there's a ways to go. I think the proposed solutions are good because the moratorium is not forever, it's really just necessary until some of these code issues are resolved. And if we don't establish a moratorium, the problem gets worse and worse. If we'd done this five years ago we would have had 40 companies to deal with. Today we have 200. Next year we might have 300. And I believe that by clarifying these different market segments it will continue to ensure that needed services are provided to those who are transportation dependent. I just want to thank both commissioner Francesconi and commissioner leonard for getting us to this point. I talk a lot to people throughout the united states on this topic, and, you know, every city is struggling with this issue, and it's a tough one because most of the average citizen doesn't really understand it. If you -- if I weren't in the industry I don't know that I would understand the intricacies and the interdependence upon these types of trips. The simple fact is, many of us, particularly at this table, maybe in this room, will go our entire lives without ever being truly transportation dependent, without ever having really no sibling, no relatives, no bus line, no anything to help us get around except for a hired vehicle. So I think a lot of cities are struggling with it. I do think Portland is ahead of the curve there. Are cities farther ahead of us, but most are behind us and I think this is a good place to sort of try to resolve some of these issues. So I thank you for your time.

**Katz:** Thank you. Let me request that you all turn off your cell phones and your pagers. Thank you. Go ahead.

**Bob Wagner, Driver Representative:** Mayor, council members, my name is bob wagner, i'm a cabdriver in Portland and i'm the current driver representative on the private for-hire transportation board of review, and also chair of the drivers standing committee, which includes all the drivers, about 1200 or so, that would be the cabs, shuttles, towncar drivers. I'm here today to urge you to uphold the board orders 13, 14, and 15 passed by the board on november 12 of this year, and i'd like to focus my comments on the amount of effort the board and its committees made to ensure that there is public involvement throughout the process. The board itself as a rule meets every month at the same time and place. Staff has an exhaustive email list that it uses to notify people of upcoming meetings and to send out other information. Anyone can get on that list and get most of the information that every board member gets. The regular board meetings always include a lot of public comments, indeed comment is sought out and encouraged. In my year on the board I can't recall an instance where anyone was denied an opportunity to speak if they wished to. My challenge is to get drivers to participate, and from experience, i've learned that the email method is not enough. So for my meetings, I make up a flyer, I ask all the companies to post it where drivers will see it. I also post copies in the back field of the airport and hand them out to drivers on the

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streets and I make lots of phone calls. In addition, i've put up a website where drivers can find information online. Drivers from all industry segments are welcome and encouraged to participate.

After a slow beginning, I now have an executive committee drawn from the drivers' standing committee. The executive committee gets together at least monthly and we communicate often by phone and email. They see most everything I see, review it, and get back to me with their comments, and they also discuss this information with the drivers and their companies and send back their input. These board orders, before you today, began their formal journey through the system back in february of this year. Since that time, they've been discussed at many board and committee meetings, all of them public, and all of them attended by representatives of the towncar, shuttle, medical transport, and taxicab industry. They've gone back and forth between the board and the committees several times, and they've been reviewed by many drivers. Anyone who says they haven't had a chance to be part of this process simply hasn't made the effort. On august 25, the board orders were presented to the drivers at a drivers' standing committee meeting and were endorsed nearly unanimously. These orders are critical first step needed to bring fairness and equity back into the private for-hire transportation system. I'm asking you today to let the system work as it was intend and support these board orders. Thank you.

**Dawn Huddleston:** Good afternoon, mayor, commissioners. My name is dawn huddleston, i'm the commercial roadway and terminal roadway manager at the Portland international airport, and I have sat on the for-hire board for the last two years. I was asked today to come and to give just a brief history of what the airport has gone through in part of our effort to regulate the industry. As well as to give a little bit of my take on some of these findings from the board and from the city. In regulating the commercial roadway, what I will state is it is a very tricky and difficult business to do at times. It is at times very challenging and can be very structurally hard to do. In 1999, in -- and i'm going to go back to the findings for the moratorium, there are a couple of dates referring to the port that are incorrect, and it's just by a couple months. In 1999, the port of Portland, we implemented a new ordinance, and that ordinance gave us the ability to regulate, to have standards, and to enforce those standards for companies, drivers, and for vehicles. It also gave us the ability to do r.f.p.'s, request for proposal to limit numbers, and it gave us the ability to implement moratoriums. In 2000, february of 2000, we awarded an r.f.p. Reducing the number of executive on-demand towncars, also known as executive sedans from 90 companies 200 vehicles, to five companies, 20 vehicles, to operate as on-demand towncars at the airport. In 2001, two years after the implementation of our ordinance, we put a full moratorium in place. That moratorium limited the number of vehicles by not adding new companies and not adding new vehicles to existing fleets. As a result of that, though very difficult, we have got a more efficient, safer, and customer service friendly operation at p.d.x. That was mentioned this past year by the j.d. Powers awards, where p.d.x. For an airport our size is number 1 in ground transportation worldwide. In the findings that we have on the moratorium, what I would like to state is that the one difference in the finding for the moratorium in point number 1 is that we did not limit the taxis or the shuttles due to an r.f.p. We did not limit any numbers at all except for executive towncars. And we do have a full moratorium which is now eliminating vehicles from coming in. In point number 2, the only thing I would like to state is that I cannot address my knowledge is limited to the airport only. I cannot address anything for the metropolitan area on what those numbers would be. In number 3, we're very pleased with our numbers from light rail, but I have no concrete studies to say how much traffic or public use of commercial transportation would be affect the at the airport. I don't have any numbers for that. And number 4 is reasonable to me. The port is in favor of a moratorium by the city. We rely on complete and accurate information for us to work hand in hand with the city. We've got a great working relationship with the city, and we want to continue that partnership, but we rely on accurate information. As far as the findings for the flat rates for the executive cars and

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for the shuttles, those findings we agree with. Our knowledge is more, we've done studies, is more toward the executive sedans rather than for the shuttles. But we are in support of these board orders.

**Francesconi:** Do you regulate the price on the towncars?

**Huddleston:** No. Commissioner Francesconi, we are not -- we do not have the ability through any of our ordinances or any of our regulations at the airport to regulate prices. We do honor those regulations that the city may impose, however, we cannot regulate prices at the airport.

**Leonard:** Thank you. Justin, did you want to -- unless council has any questions of these -- Justin has been working at the bureau of licenses and -- in the for-hire industry, kind of dogging some of these changes for me, earlier this year, and has done a great job.

**Justin Dune, Bureau of Licenses:** Mayor, members of council, you've heard that the board orders under appeal are needed and --

**Katz:** Speak into the mike, please.

**Leonard:** Identify yourself too.

**\*\*\*\*\*:** I'm sorry. Justin Dune. I'm hearing feedback, but you're ok?

**Leonard:** We're good.

**Dune:** Ok. Good. Justin Dune. I am the trouble-shooter assigned to the bureau of licenses to deal with improvements to implementation and change at that bureau. And have been since August. So I'm new. You've heard that the board orders under appeal are needed and that they serve the necessity of the city, you've heard that they were developed by industry representatives from all segments. And you've heard that the port addressed similar issues. It's important to stress that while this is a change, we're not quite the pioneers. We can learn from the experiences that they have done and hope you have done so. You've seen if you've been flying in and out of the port how much of an improvement those changes have made. When we first talked to the port planners months ago, when we consulted about their experiences, they immediately knew what we were about. Oh, they said, you want to tame the downtown piranha pool the way we did it on the airport roadway. And that's exactly right. So my role is to fill in a few gaps. There will be a lot of testimony, as you can see. We've researched the records. Here's the conclusion as of November 12, the date the board orders were adopted by the board. Four of the five appellants had not obtained permits for their vehicles for the permit year that started in January. In addition, 75% of their driver permits had also not been renewed. And I would like to clearly acknowledge the exception Mr. Sharam of Avion towncar always keeps his licenses up to date and current. And it is sincerely appreciated. Board orders are about protecting the public interest, public safety, convenience, necessity, the moratorium was not and is not intended as a punishment. It was specifically written to allow anyone currently providing service with a current vehicle permit to continue to do so. Unfortunately, for people who chose not to obtain a renew permit for their vehicles, despite clear statute and repeated reminders to do so, it looks a lot like punishment. It is for this reason that the commissioners crafted an amendment that has the effect of tempering that punishment effect. Commissioner's amendment impose as substantial late renewal penalty that penalty is, however, substantially less than the penalty already in ordinance for driving just two days without a valid and current permit. These people have been driving for more than 11 months without permits. Next, none of these orders sets new policy direction. Each only clarifies existing language. Existing board order 8 requires that premium rates be charged for executive sedan transportation. That's towncars. New board order 14 defines the premium rate for the route between downtown and the airport at 1 1/2 times the cab rate. Existing order 8 requires that shuttle transportation rates for single passengers be consistently and substantially lower than the meter rate charged by taxicabs. The same order requires that transportation be multistop, shared ride service and not be provided on a nonstop basis. New order 15 defines consistently and substantially lower as \$8. And it does so

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because that in essence moves the break-even point for renting a shuttle to three passengers. The existing board first established the need to register and permit towncar and shuttle vehicles also stated in the original language that the program supervisor shall not grant or renew any shuttle or executive sedan permits unless the demand for service is demonstrated. The clear intent of the existing orders is to require, not allow, require the supervisor to establish a moratorium whenever there is not need for additional vehicles. The intent in effect of new board 13 is simply to clarify that requirement and frankly to take some of the heat off the supervisor by clarifying for the record that the board is in full agreement with the supervisor's analysis that the market is already oversaturated. So it's not -- none of these change direction. The moratorium does have flexibility built into it, and does allow the city to quickly accommodate changing conditions. Per the language in the order, it can be reviewed at any time, and it must be reviewed until not less than one year. Not more than one year, excuse me. So if, for instance, we were to see \$5 gas prices, we would immediately respond by changing the entire mix. If we were fortunate enough to be able to bring in the democratic national convention, we would immediately be able to accommodate an increase demand of service vehicles. Central policy issue is free enterprise versus protecting the public interest, safety, convenience, and necessity. One "willamette week" writer stated in an argument for free enterprise, transportation is like coffee, why should the city set rates? That argument only works from one standpoint. That of one type of prosperous consumer from the standpoint of good city policy, transportation is not like coffee. If you want to have cab service available when your car breaks down or when an elderly person needs to get to the doctor, you have to take a different perspective. Free enterprise is not always the best policy. Emergency rooms, and we wouldn't be allowing a new bus company to come in and compete with tri-met on just a few select routes. Cabs depend on a mix of fares to stay in business. If gypsy cabs, towncars providing cab service at cab fares without cab overhead are allowed to skim off the most lucrative rises, the cab companies will fail and this mode of transportation will disappear. It's good public policy and the city's duty to protect this critical mode. Real high-end transportation is also in the public interest. It helps make Portland attractive and competitive, as a business center and as a tourist destination. Here it's a matter of public necessity. These rules are important for legitimate high-end transportation providers. They're about protecting all three modes of transportation -- legit premium transportation is also threatened by companies claiming to be executive sedans and not competing fairly. The overheating of the market has spawned a host of uncivil practices that jeopardize the city's reputation as a desirable business and travel destination, bribing of doormen by drivers, towncar drivers is not common, threats and physical confrontation are no longer rare. Drivers for towncars, taxis, and shuttles are ambassadors for the city. They're the first to greet the visitor and they create a powerful first impression. It's hard to maintain a group of skilled caring ambassadors when low wages drive high turnover. Over half will all drivers driving three years ago have left the market. Many of the new --

**Katz:** All drivers of cabs or towncars?

**Dune:** Cabs, towncars, and shuttles. Many of the newcomers view the job as temporary and the city is not well served by the loss of front line ambassadors. Finally, what we're experiencing is de facto deregulation of the for-hire transportation industry. When the city does not set rates and fares and does not limit the number of vehicles it has deregulated. When you deregulate half after market, you've deregulated the whole thing. Deregulating the for-hire industry is not a good thing. Seattle tried it. Just a few years ago. Customer wait times immediately doubled from 20 to 40 minutes, and in a matter of weeks had dropped to an average of two hours wait time. Within months, over 60% of all calls completely unanswered, for-hire transportation between the downtown hotels and airports, however, remained very good. Seattle's experiment in deregulation failed and rebuilding their cab shuttle and premium transportation systems has been long and



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expensive. In conclusion, if you ask people to provide pack animals for the city of Portland, you have to protect them from the wolves.

**Leonard:** Thank you.

**Saltzman:** What are the criteria for lifting the moratorium?

**Dune:** Need.

**Saltzman:** And how --

**Dune:** The board meets monthly, and we have the ability to call emergency board meetings. I'll give you one difference. It's in the works right now, it's a bit of a concern. There are some long-haul suppliers that serve salem and corvallis. That's important. It turns out that the suppliers for both of those routes didn't bother to renew. We will figure out a way to accommodate service to corvallis and salem. It may be that because they were so far from our boundaries and the boundaries of our congruent neighbors that state and federal regulation takes them out of our program completely. If it does not, we'll make the case to the board, here is the need, and that need will be met.

**Saltzman:** Let's bring this more to ground zero, airport-downtown. How do you determine when it's appropriate to lift a moratorium?

**Leonard:** Let me help with that. When we sat down and discussed this problem, I said, well, instead of us coming up with some false number and impose that on the towncar industry, why don't we assume that whoever's licensed today, me thinking that anybody that was operating was licensed, is licensed and has the ability to be in this industry until we figure out an appropriate number. So we imposed -- imposed the moratorium based on the number of people with permits. Guess what? What we found was there were 90-some companies operating without permits. And we have documentation showing they'd received letters, emails, and had chosen not to renew. So what we've done with the amendment that i'm proposing is to say, ok, if you were licensed in 2002, and didn't renew in 2003, we will allow you even though there is a moratorium in existence, to license in 2003 with a fine. To accommodate that number. Then that should basically get to the number of people that were operating anyway until we can get our arms around what the need truly is. What we're founding -- finding now is that we have a vast surplus of these towncars that are operating really basically as cabs because they have found that they don't have to have the radios, they don't have to have regulations, that they can basically operate however they want without the onerous regulations that occur with cabdrivers.

**Saltzman:** So some day as this works itself into effect, we will know there -- into effect, there will be some mechanism for the moratorium to be lifted, if it's in fact --

**Dune:** Absolutely.

**Saltzman:** -- some objective measure of demand.

**Dune:** The bureau has the responsibility to do periodic needs studies. The last studies that we've done show that the demand for for-hire transportation, this catch-all phrase that's cabs, gypsy cabs, towncar shuttles. Somewhere between 350 and 400. That is an impossibly broad band. Except that what we really have is 384 cabs, 187 licensed towncars and shuttles, and 50 to 90 completely illegal vehicles that have never registered at all. Which tells us we have over 200 in excess. And we need to first of all stop the bleeding.

**Saltzman:** The other question I had, this \$45 minimum, so if I wanted a towncar, if I lived in deep southwest and I wanted a towncar to the airport, that rate doesn't apply?

**Dune:** No. The existing code language would be in effect, and it needs more work to clarify exactly what substantially and consistently hire is. But if you live in deep southeast, you're not on this specified route of downtown to airport. The \$45 is purely from the fareless zone, the tri-met zone, to the airport either direction.

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**Saltzman:** And how did you determine \$15 above -- for towncars is the right margin? Sounds a little high to me, I guess.

**Dune:** The standing committees and the staff contacted well over a dozen other jurisdictions. We found that there was a wide range, but we found that 1 1/2 was actually toward the low end of the gap. We found that some places set it as high as two, a few places a tiny bit closer than that, but that 1 1/2 times -- we also relied heavily on the testimony from the true premium transportation providers, and some of them are here and will speak. Where did they set their rates? How did they define high-end transportation? And we found that their rates range from \$43 to \$90 for this trip. And the person who set \$43 said, would you please set it at \$45?

**Saltzman:** And \$30 is sort of the average fare for a cab?

**Dune:** Yes. And currently it's the average fare for the other two.

**Katz:** Let me -- you mentioned that a lot of what you're dealing with in both of these three appeals are in current code, but not clearly defined. Is that correct?

**Dune:** That is correct.

**Katz:** For the moratorium? You have the authority today to place a moratorium?

**Dune:** We absolutely do.

**Katz:** You described how that would work in reverse. You also have the authority to lift the moratorium.

**Dune:** Yes.

**Katz:** And you have the authority today to place a moratorium.

**Dune:** Correct. The supervisor of the program does.

**Katz:** Ok. And what you're asking us is to adopt that in our code language now, clarify that? I just want to know the --

**Leonard:** Sustaining the board's order.

**Katz:** Sustaining the board's order to do that. All right. You have the ability to create new minimum rates for executive -- to create rates, the language is a little squishy. That's what you're telling us?

**Dune:** That is correct.

**Katz:** And the same with shuttles.

**Dune:** Correct.

**Katz:** All right. If no further questions, let's -- commissioner?

**Leonard:** Thank you. Thank you, justin. Then we have the appellants. Stewart sokol and gray for eagle towncar, liberty limo representatives, willamette express shuttle, and avion towncar.

\*\*\*\*\*: Good afternoon.

**Leonard:** You have 10 minutes each.

\*\*\*\*\*: I understand that. Thank you.

**Leonard:** Please identify yourself first.

**Tom Larkin:** Tom larkin from stewart, i'm here on behalf of eagle towncar, and with me is a representative of eagle. We're appealing board numbers number 13 and 14 only because eagle does not run shuttles to and from the airport. I want to say i'm disappointed that mr. Dune views towncars in general as wolves as opposed to the pack horses that the taxicabs are. I think it's inappropriate to characterize an entire industry that's operating in the city for many years in a successful fashion not only for the citizens, but also the visitors to the city. The amendment that's being proposed goes a long way to address our primary concerns. I'll explain that a little later. Eagle towncar was a permitted company in 2002. They obtained their permit in october of 2002. Eagle towncar understood that the permit was a one-year permit. They paid a one-year fee. It wasn't just a two-month fee. It was not prorated. When eagle went back in in october of 2003, they were told that no, you can't submit an application for repermitting, and we're not going to issue you

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a permit because there's all of a sudden a moratorium. Eagle, like some of the other companies you're going to hear from today, liberty, some of the larger operators, cascade coach, casey limousine, fall into that same category. They had permits, the permits lapsed under the city's position, when they came back in to get re-permitted they found out there was a moratorium. We appreciate the effort to grandfather in those types of companies that did try to comply with the process. The only issue we have with the amendment, however, is the penalty. It's \$1,000 per car penalty right now that's being proposed. What I'd ask you to do is look at the other provisions of the city code for guidance on what would be an appropriate penalty if any penalty is appropriate. Will what you'll see under city code section 7.02 regarding general business licenses, an applicant who's late submitting a permit, or an application for a city business license, it's a standard that ratchets up from 5% penalty to 20% penalty, to 100% penalty if the application is not submitted for three years. Here eagle, like other companies, came back in a year late to try and get re-permitted, they ran into the moratorium, in our view, the \$1,000 per car penalty should be stricken from the amendment, it otherwise should be fine. Let me give you a little background on eagle. Eagle has been operating for over 10 years. Eagle has over 100 corporate accounts, it serves corporations not only in the city of Portland, but in the surrounding communities. It has six vehicles that were permitted in 2002. It only seeks to re-permit six vehicles now in 2003, and continuing on into 2004. Eagle operates as a reservations-only town car company, which is important to understand. Eagle is an on-demand company out at the airport. It's one of the few companies that was approved by the port of Portland to serve as an on-demand town car company at the port. Otherwise, eagle is a reservation-only company. It takes calls by telephone, sets up the pickup, and that's how they operate. They don't hang around the corner from a hotel and try and swoop in and take people standing on the curb. In our view, order number 13 is addressed by the amendment subject to the striking of that subparagraph b. We also have a problem, however, with the flat fee. And we've presented and hopefully handed out to the council members a chart just trying to exhibit what a \$45 flat fee, how that relates to some other fares that are charged. What you'll see is the typical taxicab fare is about \$30. We sent somebody yesterday out to the airport from the marriott counsel town -- downtown airport about 3:00 in the afternoon, \$28.20. Yesterday alaska airlines was offering flights from the city of Portland to sacramento, california, for less than \$45. They were offering flights from Portland to reno, nevada, for just a little over \$45. In our view, if any flat rate is going to be assessed by the city council, we think it should be something that's a premium rate but not something that's drastically different from the taxicabs. Right now eagle town car charges an average rate of \$35 from downtown Portland to the airport that's a rate that's \$5 more than the average taxicab rate. We believe that's a premium rate. We don't see anything in the findings that justifies a flat rate of \$45. As far as we're -- as far as we can tell, that came out of thin air. There's been testimony there was substantial research behind that, but I think the council will be justified in setting any flat rate at something more closely approximating the \$35 rate. The other problem we have with board order number 14 is that it doesn't just apply to on-demand pickups from the city of Portland out to the airport, and vice versa. It applies also to any contracts that eagle town car or other companies enter into with corporations. In other words, assuming nike was based in the city of Portland, and in the fareless square, board order number 14 would require that even though eagle said up a contract with nike, to transport employees to and from the airport, the minimum fare would have to be \$45 each way. They can't contract for anything less. Not 40, not 38, not 35. If the concern is that the corruption between the fareless square and the airport, let's get a board add that squarely addresses that. Let's not have a flat fee, a minimum flat fee that applies across the board to the entire industry where many of these companies, eagle, liberty, cascade coach, carry limousine, they operate on a reservations-only basis. I would be pleased to answer any questions. I just --

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**Leonard:** I would point out that to the point of renewing, I asked their bureau of licenses to respond to that, and they have provided information that your client received a letter at the first of the year and two emails informing them that he needed to renew at the first of the year. I should also tell you I had to be persuaded to draft the amendment that I did.

**Larkin:** I understand that. I appreciate that. But again, the amendment goes a long way to address our concerns. We're only concerned with the penalty portion of that amendment. And as far as the flat fare goes, we think for a city that's trying to attract businesses to downtown Portland, the fareless square and to retain businesses in fareless square, I think the city council thinks -- needs to think long and hard about \$45. It's \$45 right now from the airport to beaverton.

**Francesconi:** This issue of towncars by reservations with companies, did that -- I don't know if this question is for you, did the board deal with this issue? Has this been dealt with by the board?

**Larkin:** I'll try to answer that. I think i'm probably not the best informed. I think towncars --

**Francesconi:** The contracts is what i'm talking about.

**Larkin:** I don't think it has. I think the towncar industry was dealt with as a whole, when the real concern were companies that would try and steal rides from the cab companies. We view that as a very different situation.

**Francesconi:** The penalty now, forgetting the other, you cited other codes when you were saying the penalty was too stiff. I don't remember this, but in the current code there is a penalty already. And that's stiffer than the thousand dollars, isn't it?

**Larkin:** There is a scheduled penalties for operating without a permit. In our case, as well as others, we understood, eagle understood that was a one-year permit. We were apparently mistaken, and we believe -- we aren't blatantly disregarding the permitting process --

**Francesconi:** There's a penalty to cover that in the existing permitting system, isn't there? And this amendment is cheaper, or am I wrong about that?

**Larkin:** I believe you're wrong. In fact, we've heard about another company that obtained their 2003 permit only in october, only two months ago, and as far as we know there was no penalty assessed against that company.

**Francesconi:** That's a practice as opposed to -- I need to know later what the code says.

**Larkin:** The code provides for all civil penalty of \$500 per day or per occurrence for various offenses. And that's consistent with general city code. So it would be applicable on a per-day or per-occurrence --

**Francesconi:** The penalty in the code itself, arguing some other code has a cheaper penalty, that's a little different.

**Larkin:** We believe the circumstances in this justify a much lower penalty if there's going to be one.

**Katz:** I think the issue of the contract needs to be explored.

**Leonard:** And i'm sure the board will look at that. But again, what we're doing here is trying to put a stop everything and then give us a chance to analyze it. So liberty limo, do we have a rep?

\*\*\*\*\*: Thank you.

**Leonard:** Are you liberty limo as well?

\*\*\*\*\*: No, i'm the last one on the list.

**Leonard:** Oh, ok. We can jump ahead. Go ahead. I'm sorry.

\*\*\*\*\*: No, that's ok. I can wait. Should I step aside?

**Leonard:** No. Yeah. Ok. Go ahead.

**Jeff Hanson, Yazbeck, Cloran & Hanson:** Mayor Katz, council members, I am jeff hanson, i'm with yazbeck, I am here on behalf of liberty limo. My client is here as well. And I would like to kind of take off from where mr. Larkin left off. Mr. Dune told this council that the regulations required a substantial differential. That is not what the regulation that was adopted in 2001

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requires. It's actually board order 008. And it requires for executive sedan transportation premium rates shall be charged. Premium rates. In my conversation was mr. Dune, i consistently indicated that the wording in the board order was substantially higher. That is not what the board order says. I've also prepared for you kind of a comparison. We took an average taxi rate of \$27 one way, \$54 round trip. Private for-hire, you're now requiring under the flat rate, \$90 round-trip. A rental car yesterday at the airport, with a full day's parking, \$40. If you do it on a per-mile basis, taxicabs, \$1.92 a mile. Private for-hire, the executive sedans, \$3.21 under this flat rate. Now, mr. Dune indicated that they made thousands of telephone calls to jurisdictions across the country. To determine what the flat rate should be. The real question is, what the flat rate should be for Portland, Oregon, not for seattle, not for cincinnati, not for new york. What is there that was relied upon for Portland, Oregon? They inquired to get two rates. 43 and 90. When they indicate that they've made efforts to notify, my client contend that they were not provided notice of renewal. The -- commissioner Francesconi indicates that we shouldn't be able to compare one penalty versus another. But the penalty that you're looking at is for operating without a license. It's not a penalty for going in and trying to become licensed. For instance, if you attempt to install a fire alarm system in a new building here in the city, and you do not go to the fire department for a permit, the penalty is twice the cost of the permit. Here, there are -- they're attempting to assess \$1,000 penalty. This grandfather clause was only put into place after clients like my client filed this appeal. When I spoke with mr. Dune to discuss these notice issues and what kind of databases, his response was that there were many databases dealing with the for-hire, the private for-hire. And that in fact he was having a problem integrating all of them. It seems clear to me that the city ought to have a single database. If you register a corporation with the state of Oregon, you get a renewal notice. It says, the corporation is coming up for renewal, please submit your fee. Our contention is we did not get that notice. Mr. Leonard has indicated that eagle towncar car did in fact receive that notice. I know that mr. Larkin, we've been working together on this, has requested a public record from the city so that we could evaluate those issues before we came to you today. Unfortunately, the public records requests have not been complied with, so to be able to tell you whether that notice went out or not, I can't. And I apologize for that. We believe that for companies that were registered in 2002, and whose permit lapsed for nonregistration, should be entitled to renew as the amendment proposes, but that the penalty of \$1,000 is flatly unreasonable. For a taxicab driver whose license expires and they're late renewing their taxi license, it's a \$10 penalty. \$10. Not \$1,000. In speaking with mr. Dune, he's indicated to me that the purpose of these moratoriums is to force companies out of business. It's just not right. The boundaries of this moratorium, of this flat fee are fareless square. Outside of fareless square, the only regulation is premium rates. If you're going to try to regulate the problem, which everybody appears to indicate are the hotels and payoffs allegedly occurring, the city needs to address that if that's a problem. But you don't address it by setting a flat fee for towncars without setting flat fees for your cabs. With that, i'll be happy to answer any questions that i'm able to.

**Leonard:** Mr. Hanson, who did you submit the public records request to?

**Hanson:** It was submitted -- did I not submit it. Mr. Larkin submitted it. I spoke with him this morning, and he confirmed that in fact it had not been applied to.

**Leonard:** Well, we'll provide you copies of the letter sent to your client, to mr. Larkin's client, along with the emails.

**Hanson:** Fair enough.

**Saltzman:** How would you suggest the board define "premium"? "premium rates?" they chose obviously time and a half, or 1 1/2 times --

**Hanson:** 1 1/2 for an alleged average of \$30. I think that a system in place, \$35, I think that's a premium rate. You may disagree. The board may disagree. But I don't think that you can simply

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apply these flat rates to one route. You know, taxicabs -- we've got issues about, you know, jurisdictions utilize zones. Here the only zone being regulated from airport to fareless square.

**Katz:** Thank you.

**Francesconi:** Just a couple practical questions here. Not legal arguments on my part or your part. How many cars does your client have? Towncars?

**Hanson:** Two.

**Francesconi:** Ok. And what do they charge going from fareless square to the airport? What do they currently charge? Was your charge?

**Hanson:** \$30.

**Leonard:** He can pull the microphone and answer himself.

**Katz:** Identify yourself for the record.

**Mohamed Shemary, Liberty Limo:** Mohamed Shemary, the owner, one of the owners of the liberty limousine service. Before we used to charge \$30 from the downtown Portland to the airport. Last five months we start charging \$35 to the airport.

**Francesconi:** So from a business standpoint, you're concerned obviously, if it goes to \$45 you're not going to get any business. Is that right?

**Shemary:** That's what we believe.

**Francesconi:** Why do you believe that?

**Shemary:** Because it's unfair. If I am a customer, I come into Portland as a visitor, ok, and I have in front of me two cars. A cab, a towncar, and when you look at the destination between the airport and the downtown Portland, it's not like the other cities. It's just like short trip. \$45, that's a lot. I'm not going to hire a towncar. That's -- i'm not going to hire a towncar. The other person is not going to hire a towncar. That will be out of business. Those people, they have families, they -- those people, they serve, they're visitors who come into Portland area.

**Francesconi:** Thanks.

**Leonard:** The problem is, I don't mean to be argumentative, you're not required by the city to have a radio, you're not required by the city to pick up people in their homes and take them to the doctor's office, usual not required to take people back to their homes. We have requirements in the cab industry and they're very unprofitable. The airport-to-downtown route is the most profitable. By excluding that business from the cabs causes us a problem.

**Hanson:** May I address that? While that may be true, they are required to be professionally dressed. To provide expensive or classic or vintage automobiles for the transportation. They are required to keep their transportation impeccably clean and rigorously maintained. They are required to provide passengers with additional amenities which may include but not necessarily be limited to luxury upholstery, telephone, other --

**Katz:** That's the reason that people choose towncars over cabs. You justified some of the reasons why people make -- no, no, no. [applause] make those choices. Whether it's -- whether you agree with them or not, you --

**Hanson:** You're correct. But that does not justify a flat fee of \$45 that's not based on anything -- any reasonable evidence in the record.

**Katz:** That's another issue.

**John Sinibaldi, Venice Livery:** Good afternoon, mayor, commissioners. Thank you for allowing me and my fellow peers the luxury towncar industry to speak with you today. My name is john sinibaldi, doing business as carry of Oregon. We primarily are located in salem. Mayor Katz's old stomping grounds. We're part of carry international, we are licensed, we handle mostly fortune 500 companies from northern part of the state of Oregon. I've been in the business since 1994 and have -- presently serving my second term on the board of directors of the national limousine association which we have about 2200 members nationwide. 80% of our memberships are what we call ma and

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pa operators, one and two cars. I offer my testimony as an insight into the luxury transportation industry on national basis. I have worked with numerous limousine and towncar operations in other states dealing with airport issues, municipal regulations governing our industry. I also took several trips back to Washington, d.c. to lobby in the halls of congress concerning transportation issues. I was pleased true the efforts of the national limousine association that landmark legislation was passed in house bill hr 2546 which became public law 107.298. Which prevent local and state local -- state and local governing bodies from interfering with companies crossing state lines in which properly permitted in their own state from servicing their own clients. Myself and my fellow operators support the efforts of the cities to reign in unauthorized towncar operators who victimize the community with poor service, unsafe vehicles, and poor drivers. Many of these rogue operators steal business from legitimate towncar operators as well as victimizing the cab industry. Recently the private for-hire board passed three measures to combat illegal operators. Unfortunately these measures would pass with little notice or discussion with towncar companies and we consider two of the measures harmful to the towncar and shuttle companies. The private for-hire board lacks proper representation of the towncar industry. In fact, some in my industry view the board as a surrogate warrior for the cab industry. I do not share that opinion. Presently two board members have very close ties to the cab industry. There are no board members from the towncar conditions or shuttles that sit on this board. At the last board meeting a comment was made by I believe mr. Wagner concerning the moratorium that there were 70 shuttle companies in the city of Portland in which he made a comment that that's enough to service new york city. And therefore the moratorium should be put in place. This is a grossly inaccurate statement. The city of new york has a population of 2 million in the city, and the surrounding areas of queens, bronx, staten island and brooklyn have a population of 10 million there. Are over 10,000 cabs in the city of new york which service the burrows. The number of registered limousines, towncar and black cars in the city register approximately 13,000. The taxi industry is regulated the number of medallions which must be purchased to operate a cab. The present cost in the market in new york city is \$125,000. The problem that exists in Portland today is twofold. We have a number of black car operators operating as illegal cabs. Black cars in our industry are a cross between a cab and a towncar. These operators are stealing rides from cabs, and legitimate towncar companies. The second problem is that is with the hotel industry, has become a source of revenue for these illegal operators. Legitimate towncar operators work only on a prearranged reservation with their clients. What I mean by that, it could be days, weeks, months in the system, maybe a few hours. Unfortunately, hotel personnel are using their cell phones to call these rogue operators to service their hotel guest and with an -- within 11 seconds a car is outside the hotel. Monetary kickbacks are received from these illegal operators. I propose to all of you that to get rid of these illegal operators requires the following. All towncar and shuttle operations must register their vehicles, provide proof of commercial insurance, and background checks on drivers. A law should be enacted to prohibit hotel staff members from receiving monetary kickbacks from any transportation company. Hotels must only use towncars on approved lists provided by the city. Like in new york city, when an illegal operator is caught, the vehicle will be towed and a fine of \$1500 assessed. The second offense, the vehicle is towed again with a \$5,000 fine. And the third offense, the operator loses the vehicle permanently. Board order 13 on the towncar -- moratorium on executive towncar and shuttles in our opinion is not necessary. The problem is with illegal operators and possibly too many cabs. Many operators live outside of Portland. They must have city business license and register their vehicles and drivers that do business in the city of Portland, but telling companies they can bring clients to Portland but not be able to pick them up is wrong. Many large corporate clients are located outside of Portland, such as nike, and they would be greatly inconvenience first degree their transportation provider is prohibited from picking up their passengers in Portland. This order

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should be rescinded. Many companies were not properly informed by the bureau. Some companies were called, others received letters, but a large majority received nothing. Also there is a confusing information regarding limousine companies that have towncars and vans. I have here with me one such memo that was sent to the port of Portland from the bureau of licenses in regards to limousine and towncars since our rates are so much higher. In fact, just -- we've been talking about rates, my trip on a towncar is \$95 from the port to downtown. Limousines are \$130. The bureau can't prove they sent out notices since nothing was sent by certified mail. Also, late registration penalties submitted by Justin Dune I believe are excessive. The t.l.c. of New York only charges \$25 on a late registration. The \$1,000 per vehicle appears to be possibly another back door attempt to put small towncar and shuttle operators out of business. We ask that the fine be no more than \$25. The order mandating a minimum of \$45 for towncars between p.d.x. and downtown is sound. There must be a price difference between cabs and towncars. In Tampa, Florida, the towncar limousine operators were successful in placing a \$55 minimum charge between Tampa airport and downtown Tampa. This eliminated rogue operators who were charging less than cabs for their service. We had major board order 15, we've had major problems with this order mandating an \$8 per charge on a shuttle. P.d.x. does not allow shuttles to wait more than one to two minutes in the staging area. Taking one passenger to downtown Portland in a van for \$8 is not economically feasible. Either the staging time must be increased to allow more passengers or the order should be rescinded. In closing I would like to make the following observation. During the early to mid-1990's, the corporate traveler wanted to be transported in towncar rather than limousines or cabs. In Portland, cab companies did have the opportunity to diversify their fleets but many chose not to. The problems we now have are illegal black cars and possibly again too many cabs trying to force out towncar and shuttle companies who only work on a prearranged service with their clients is wrong. Jobs would be lost and if Portland wants to be a friend to small business, this is not the way to show it. So we strongly feel the current private for-hire board is seriously flawed. The lack of proper representation from towncars and shuttle operators show how dated the board is we ask that the board be restructured with no employees or owners of transportation companies having a seat on the board. A subcommittee for cabs and another subcommittee for towncars and shuttles should be formed, both who can monitor their respective operations and the two can work together in solving mutual problems and present them to the board. I would also like to address the -- I will skip that part, we're not here for fees. I want to just emphasize the national limousine association and the legitimate towncar operators who do maintain insurance have proper airport pennants -- permits stand ready to assist the city in helping address these problems. Thank you.

**Leonard:** I just want to let you know I agree actually with some of what you said. We are having an ordinance drafted that would prohibit the payoffs to folks at hotels or vice versa, and there will be in this proposed ordinance fines assessed against the parties involved and the hotels.

**Francesconi:** This 1 1/2 times, in order to set the shuttle -- the towncar rates, this 1 1/2 that was testified by Justin and the city, do you know, is -- do you know, is that a national norm?

**Sinibaldi:** Well, I can only speak for carry international, but we have standard rates across the country. Basically a standard airport transfer is \$95. I also do work for --

**Francesconi:** No matter how far away --

**Sinibaldi:** It's just probably within the metro of the airport. Basically -- I would be charging maybe \$95 for from Portland to Beaverton. That would be that kind of distance.

**Francesconi:** What do cabs charge?

**Sinibaldi:** Frankly, I thought cabs were in the \$30 range. At least -- I'm not in the cab business. We don't compete with cabs. Our rates are pretty high. We do operate Lincoln towncars with desks and ports for the traveling executive.

**Francesconi:** How about the setting of the -- you said \$8, \$3 was too low.



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**Sinibaldi:** We purchased a shuttle company in June called Island Coach. We primarily -- this is a -- primarily works out of Lake Oswego, but we have some contracts with the couple major airlines to provide service to downtown Portland. I'd have to wear my n.l.a. hat, because I'm not here to look and promote myself, and let the other companies fall off by the wayside. So I'm kind of speaking in general here. What I'm concerned about the shuttle companies, is the fact that if the -- if port of Portland only allows a shuttle to sit out there for one or two minutes, that doesn't give enough time to load up that vehicle. Whereas when I was talking to the t.l.c. in New York yesterday, at la Guardia, J.F.K., they usually will make people wait around five to 10 minutes, sometimes even a little longer than that. But I contend that if people are coming to Portland and they're going to ride Max or take a bus, or take a shuttle, they don't mind waiting. But here unfortunately the city wants to do one thing, which is fine, but the port has a different interpretation or the way they do business, and it's not conducive.

**Francesconi:** Thank you.

**Katz:** Thank you.

**Leonard:** Now we have Avion Towncar.

**Shahram Bahmanyar, Avion Towncars:** Good afternoon, Mayor, Commissioners. I own Avion towncars. We have had our business about six years. We started with one car and we have five cars right now. Since day one we complied with all the city regulations, and also the port of Portland, but I believe this moratorium will have a major negative impact on our growth. Every company likes to be growing, you know, you give good service, you get up at 4:00 in the morning to service the customers and give them good customer service, and you hope to expand. And this moratorium will limit our expansion. We worked on a few contracts actually we've reached an agreement with a couple of airlines and we're hoping to add more cars in the future, and when we contacted the city about a month and a half ago, one of the ladies in the office said, up to November 12 you can add cars, and then when we talked to the supervisor about two, three weeks ago, he said there is a moratorium and we cannot add cars. So we believe this is going to limit our growth, limit the lives of all of our drivers, they're dependent on the contracts that we get and on the businesses. We hope that this moratorium will be lifted at least for -- I guess they're separating the good guys from bad guys, and I think we're punishing the good guys also because there are a few bad apples out there.

**Katz:** Thank you. Questions? Thank you.

**Francesconi:** I guess I do have one. So you are OK with these charges? The \$45 --

**Bahmanyar:** No, actually we are not OK with the charges either.

**Francesconi:** You can't be objecting too strongly, you didn't even mention it.

**Bahmanyar:** Well, everybody else has mentioned it. I don't want to take too much -- we already -- we're already about an hour and a half, but it's -- you know, it's like free enterprise. If a five-star hotel in downtown Portland has the rate of \$45 a night, so Motel 6 cannot come and complain and say, why the five-star hotel has a \$45 rate? It's a free enterprise system. Everybody should be competing. So that's my point of view, and --

**Katz:** Thank you.

**Leonard:** We now have Willamette Express Shuttle.

**\*\*\*\*\*:** Good afternoon, Mayor and Commissioners. I'm here by Willamette Express Shuttle.

**Katz:** Why don't you start over.

**Sampson Atsbeha, Willamette Express Shuttle:** My name is Sampson from Willamette Express Shuttle. I'm here to explain about the rule that's in November 12, the board did -- what the board did for not renewing the licenses, and we ask the license bureau to renew our license on October. Not in November. But they told us to wait until we get the -- the rule came out in November, but we asked to renew before October, actually, so we wait, and we are saying, why didn't we renew before

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november 12, I don't know. And we asked -- like the gentleman said, the penalty is stiffer, small companies like shuttles, we are a small company to operate, and it's very hard for us to pay \$1,000. And then the other thing is about the \$8, we've been doing this business for seven years, and when we come from the airport to downtown, it's just \$8, you wait about a couple hours to get that \$8. And then when you get out from the gate, you have to pay \$1.25 for the gate. That puts you \$7 something for one driver to get to downtown. You never get two, three riders all the time. So that is very hard for the business, because we pay like \$500,000 insurance, and we pay like the taxi, the gas is like what they pay. So it's very hard to make a living with that \$8 to go to -- if -- we have multiple people, yes, but we don't get that. We've been doing this for a long time.

**Katz:** Ok.

**Saltzman:** You're a member of the board?

**Atsbeha:** Yeah. I am a standing committee member of the board. But I --

**Saltzman:** I was just scanning the minutes of the november 12 meeting. Did you vote in favor of these rules?

**Atsbeha:** No.

**Saltzman:** It passed unanimously.

**Atsbeha:** That's a different board. That's standing committee, i'm on the standing committee, which of the owners, this one is a private for-hire transportation --

**Saltzman:** Oh, ok. I'm sorry.

**Atsbeha:** Two different boards.

**Katz:** Thank you.

**Leonard:** Nancy from the city attorney's office asked to clarify a point on contracts. Nancy?

**Katz:** Do you want to do that now?

**Leonard:** I thought, because you're going to have a lot of people testifying, it's going to get lost in the shuffle.

**Nancy Ayres, Sr. Deputy City Attorney:** Nancy ayers, city attorney's office. The question was raised whether the board considered the -- future contracts for these providers, and in fact it did. The decision was made that any existing contracts would be -- the companies could continue to honor those, but new contracts made after the effective date of the board order or renewals of contracts would have to be at the new rate. It's important that this contract issue be considered in the context of the regulated industry. If a contract is able to be used to evade the regulations, then essentially we're back in the unregulated territory again. I have done research on this issue, and that is fairly well established under the law. So I feel comfortable that we do have the authority to even in the contract context to cause these regulations to be put in place.

**Saltzman:** Do we regulate -- I know certain auto service shops have contracts with cab companies, so if you drop your car off you get a ride back downtown. Do we regulate the contracts rate they set with cab companies or negotiate?

**Ayres:** I believe the cab companies are required to charge based on their meter. They -- they don't really have the option of contracting around that rate. It's very parallel situation, and the cab situation, the meter is setting the rate in the other -- in the l.p.t. situation we're setting rate.

**Saltzman:** So the meter is on in those situations?

**Ayres:** I believe that's correct.

**Katz:** Thank you. All right. Karla, let's open it up for public testimony. How many do we have?

**Moore:** 42.

**Katz:** Oh, dear. [laughter] for those of you who don't come down to the city council, we try to be fair on this, so we'll start with three minutes and i'll try to gauge when we shift over to two minutes. Now, you can say whatever you need to say in three minutes, you can say in two. You have to trust me, we've been doing this for a long time. But let's start with three first.

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**Cr John Seville:** Mayor Katz and board of -- city council, my name is john, i'm the operator of one shuttle service. We have been in the business since 1996. We serve the port of Portland. We have always followed the rules and regulations. I am appealing to the council that I would be able to renew my driver's permit since I was not able to renew this in 2002. The reason of which is that on november 2001 I was diagnosed by my primary physician to have prostate cancer. By the following months I had to undergo intensive medical check-up to find out whether my cancer has spread into all my bones and glands. Since I was supposed to have prostate surgery, by the middle of 2003 in southwest medical center for this reason I was not able to renew my plate driver's license. I'm therefore asking the honorable board to consider my appeal. We had been in the business for the last seven years. We have already paid our insurance which costs our company \$6,000. Towncar payment \$12,000, and hundreds of dollars in monthly payments. With this financial problem I wouldn't be able to survive since I cannot return the van which I just bought. And also, I am 71 years old, and I am receiving social security in the amount of \$800 per month. That's my pension, and with this business, we would not -- without this business, I would not be able to live a decent life. I hope that the city council would understand and not break my american dreams. Thank you.

**Katz:** Thank you.

**Jeff A. Honig:** My name is jeff honig. I own an airport service. About monday the week before thanksgiving I put in a request to add a couple drivers into p.d.x., and they told me I needed to run it through -- get my permits through the city of Portland. I still at that point in time, I talked with john hamilton, he told me, he asked where I operated, I run out of forest grove, hillsboro, in that area, and he said i'd probably be exempt out of the -- having the permits. He came back the day before thanksgiving and said, no, you're not exempt, I need to get permits, but it's been a moratorium. I have not received, he even checked in the file, he said I was never sent any notice, I never knew I needed the cars permitted, i'm a meet and greet only, reservation-only. I never knew I had to have permits for the cars until, like I said, that week of thanksgiving. And I would hope that you would allow me to get my permits for my cars to continue on with my drivers. If I would have known that we had to have them, would I have done it. The letters that people are talking about, i've never seen any. I was told that there was a newspaper article put out for the moratorium. I don't read newspapers. I mean, I run 24 hours a day. I've talked to if I -- if I would have known, ok, i'm at fault, fine me, kick me out, whatever, with me not knowing nothing about the backing for the drivers, I don't think that's quite fair.

**Katz:** Thank you.

**Francesconi:** I guess I have a procedural question here. He didn't file an appeal in front of us. Are we deciding on each individual case here?

**Leonard:** No. This is public testimony.

**Francesconi:** So what happens to --

**Pete Kasting, Sr. Deputy City Attorney:** Commissioner, you're deciding whether to affirm, modify or repeal the orders that the board adopted. So what's really in front of you is a decision on each of those three orders.

**Francesconi:** What happens to a case like this?

**Kasting:** Individual appeals of permit denials go a different route. They go through the board or the code hearing officer.

**Francesconi:** As -- has time expired for this person to file an appeal?

**Honig:** I actually didn't know anything about the appeal or nothing.

**Francesconi:** We're about to tell you.

**Seville:** I was told by john hamilton to come here.

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**Honig:** I was also informed by John Hamilton to come here and appeal to you to the city council, that we can again reach --

**Katz:** We understand.

**Ayres:** They're done under chapter 22 of the code which is the code hearing officer appeal chapter.

**Francesconi:** Maybe you can talk to these people separately.

**Katz:** Commissioner Francesconi raises an interesting issue. What we're hearing are appeals on three board decisions. You are raising individual appeal issues that go directly to the board. So the question is, the procedure for you to go to the board and -- can they still do it based on the issues that they've raised?

**Leonard:** It's a little more complicated than that. The issue is a little more complicated.

**Katz:** Then clarify it.

**Leonard:** The -- we have had a requirement in this city since I got here that you all be licensed. And apparently you were licensed at one time, and weren't for two years. The moratorium went into effect to basically say, because at the time we assumed everybody out there that was out there operating was operating legitimately. So we said, the number of legitimate town cars are the ones that are permitted. Well, then, folks like yourself came forward and said, I'm not permitted. I understand what you've explained, but for two years you didn't buy a permit.

**Sevill:** It's only one year, sir.

**Leonard:** But you said you didn't buy one in 2002.

**Sevill:** Because I was sick, sir.

**Leonard:** I understand. This is 2003 almost 2004. You remembered to pay --

**Sevill:** I'm willing to pay for the 2003 and 2004, sir.

**Leonard:** Understood. But you remembered to pay your auto insurance, but you forgot to pay your permit. What I'm saying. We have a problem in this city in this industry, in the industry is dying on the vine. The whole industry. And at some point this council has to take a position that we're going to stand for the integrity of the industry. And I appreciate what you're saying, and maybe on a case-by-case basis something can be done if there's something done wrong. But I have to tell you, this wasn't done accidentally.

**Sevill:** Sir, this --

**Katz:** Let's not argue this. I need a clarification on the ability for individual people to deal with this issue. We -- you can go look at it and then come back and tell us later.

**\*\*\*\*\*:** I can tell you that, mayor.

**Katz:** Identify yourself for the record, just since we probably need to set a record on this.

**Kasting:** Pete Kasting, city attorney's office. The code in section 16.40.950 establishes appeal procedure for denial of a permit or revocation of a permit. And what that section says is that the denial of a permit or revocation of a permit is taken to the board, which then refers it to a committee of the board. That committee is required to make a decision on the revocation or denial within 30 days, and then the committee's decision can be appealed to the city of Portland code hearings officer. So that's the route for those issues.

**Katz:** For those of you who are here on individual issues, that would be the route to go. We're here to deal with the appeals on the issues that the board raised. Ok?

**Saltzman:** Individual appeals can still be heard?

**Kasting:** Well, individual appeals of permit denial or revocation don't come to council, they go to the board which assigns them to a committee. What's in front of the council --

**Katz:** Yes, but what we heard is an individual who didn't claim -- claims he didn't get anything, we're not going to review that right now, if for -- if we have a record and he truly didn't get anything, there may be an issue, and an individual who supposedly was ill -- I don't know whether

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these -- these are not in front of us right now. We're not going to be acting on those individuals' issues.

**Sevill:** Excuse me.

**Katz:** Just a minute.

**Kasting:** That's correct. Those are individual licensing matters that would go --

**Katz:** To the board.

**Francesconi:** You still haven't answered commissioner Saltzman's questions. Has the time --

**Kasting:** It does not set a time.

**Francesconi:** It sounded unopen.

**Kasting:** It does not set a time for filing the appeal. It just says it will be taken to the board which assigns it to a committee.

**Francesconi:** You might want to set a time for the future.

**Katz:** Ok, sir, go ahead.

**Francesconi:** Did you understand that?

**Honig:** I think so.

**Sevill:** When can we go to the board? The days are going fast. It's going to be again another --

**Katz:** Would somebody -- jim, will you raise your hand? This gentleman over there, turn around. Ok? All right. Go ahead.

**Jim Frail:** Mayor Katz, members of the council, my name is jim frail, and i've been a driver in Portland, Oregon, for approximately 10 years. I support the board orders, and agree with the previous speakers who spoke in favor of the orders because I believe it provides a level playing surface for the taxi industry. We've been talking primarily about towncars and the airport, and payless square. The citizens of Portland require a viable taxi service. And to give you an idea of some of the people that the taxi industry services, we have our favorite little old ladies going to the beauty parlor on a saturday morning. We have the elderly and the infirm going to albertsons and fred meyer and safeway, grocery shopping. And the drivers are schlepping the groceries up the flight of stairs. You have taking the infirmed, you like that word schlepper --

**Katz:** Well, with your irish accent --

**Frail:** Don't say boston. Those are fighting words. [laughter] new yorkers don't have accents, right?

**Katz:** Right. Ok.

**Frail:** But the taxi industry provides a service to the elderly going to doctors' offices and dentist offices. They provide the service going to and from places of worship on saturdays and sundays. They transport children and their parents to emergency rooms and hospitals at 2:00 in the morning. I've picked up children at schools, elementary schools and middle schools who were stick in the middle of the day, but their parents and grandparents did not have the transportation to pick them up from school and bring them back home. We act -- the drivers act as designated drivers for people who go out partying and then imbibe a little too much, and therefore keeping the city of Portland and the streets of Portland safer than they would be otherwise. Without taxis, a lot of people would go without, and you're not going to have a viable taxi industry unless you have a level playing surface. And I think these orders provide a level playing surface. I thank you for your time and your attention. Have a good day.

**Katz:** Thank you. Somebody grab a mike.

**Theo Richardson:** City council, mayor, theo richardson, I work for broadway cab. All I have to say was, I work early morning hours for -- in front of the westin hotel, so what I see is mostly illegal towncars picking up passengers there, and I see doormen taking kickbacks, and so I work there quite a bit, and also, I don't get too many fares going to the airport, so that's my main complaint, I guess. I see towncars getting more trips to the airport than I do, and maybe I -- out of

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100 trips I get from there, maybe three going to the airport. Honestly. So that's the only thing I wanted to say.

**Katz:** Thank you. Sir?

\*\*\*\*\*: I'm --

**Katz:** Give us your name, please.

**Dave Finley:** I'm dave finley, i'm a part-time lease driver at green cab. I've been in the cab industry for very nearly 15 years, and in a number of different companies. I've been around a while, and i've seen these problems, and they seem to continue. There's so many things that were said here already today, that I could dispute, i'll just limit it to one particular subject. The problem with the towncars picking up the hotels, I see time after time after time after time, and it's not just illegal towncars, it's illegal -- it's the legal ones too. They'll pull up in front of the marriott or the embassy suites or the doubletree at the lloyd center, they'll go in and I can't swear that it's money, but they hand something to the doorman or the security guard, then they stand at the airporter. Or at the elevator. Everybody that comes out of that elevator with bags, hey, you going to the airport? Towncar right outside, exact it will same price as the taxi, but it's much more luxurious. Sometimes there's two of them. Sometimes there's one at the front door and one at the elevators. Grabbing everybody that comes through the lobby with baggage. And there's been several that have said they operate only on reservations, but i've seen their cars doing this. And it's not somebody said, i've actually observed it.

**Katz:** Thank you.

**Ralph Miller:** Mayor Katz, members of the council. My name is ralph miller. I've been a cabdriver in Portland for 12 years. I fully agree with what -- and support the board orders and I agree with what my fellow drivers have said. I have personally witnessed the bribery, kickbacks, payoffs and racketeering that go on around the city of Portland. One of the ways the towncar drivers do it is they'll pull up to a hotel, they'll pop their trunk lid, get up, lift their lid up, put the money in the trunk. The hotel employee will come up, load up the luggage, and reach into that trunk and pull out the money. They will do it by shaking hands. And the money is in the palm of the hand. The hotel employee will come up to the towncar. The windows are down. He'll put his hands on the window of the car. The money is in the armrest and he picks it up. Sometimes he'll just hand it over by an envelope. Sometimes in a folded piece of paper. But i've witnessed every single one of these. This bribery, kickbacks, payoffs, is not free enterprise. Thank you.

**Stephen Frankland:** Thank you for taking the time to hear our comments on this issue. My name is stephen franklin. I strongly agree with the testimony in support of upholding the board's orders and I want to speak on the abuse of the hotel zones. Despite the 15-minute time limit it's not uncommon to see towncars in the loading zones for much longer periods of time. Though the rules state they are not to provide on-demand service, each of i've watched them waiting for longer trips while we taxis are consistently given shorter runs. At times pulling into the hotel loading zones i've been immediately and aggressively approached by doormen and valets demanding to know what i've wanted. I've been threatened with calls to the police if I didn't leave immediately. At one point I responded I had a personal customer, and was asked in a demanding tone what the customer's name was and their room number. Likewise, with increasing frequency, when arriving in the hotel zones to drop off customers, i've been ignored by the doormen who stay standing at their desks, not coming forward to get doors or help with luggage. More and more now I get out to do this for the customers as the doormen linger on the sidewalks. I've discussed this situation with customers. Have learned they have been told any manner of things to keep them from taking taxis. They've been told the taxis waiting on the stand are not available. Taxis to the airport will cost \$40 to \$50 and they're getting a towncar because the towncar was next in line. I've also had customers tell me that it did seem strange how they were questioned regarding where they were going as they were

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checking out of the hotels. One event for which I did lodge a formal complaint typifies the situation. I was on a taxi stand in front of a hotel when a customer got into my cab and was going to the airport. He was in our hi r within seconds a valet double parked in front of me, blocking my exit as a doorman approached, the open window, the back of the car. Asking the customer if he wanted a towncar. I asked the doorman to have the valet move the car. The doorman persisted in opening the rear door of the cab as they. So at this point I saw a towncar pull up and double park behind me. The customer's frustration was tangible as he exited the cab. Recently I was speaking with a former valet who told me how they used to watch us sitting in the taxi zone for hours while they put one airport customer after another into towncars. He went on to say that they could make an easy \$200 a day and that they thought it was pretty funny watching how frustrated us taxi drivers were getting. I would urge the council, please vote to uphold the board's orders and thereby initiate fair use of the hotel loading zones and increase the quality of service experienced by travelers coming to Portland. Thank you very much.

**Katz:** Thank you. [applause] [gavel pounded] ok. Rule number 1 -- we don't -- this is not a demonstration. If you like what you heard, I have to tell this to -- to a lot of people, do you like this. And we'll know that you support it. Thank you.

**Leonard:** Though we've never seen cabdrivers do that. [laughter]

**Katz:** I won't tell you -- we then will know -- this is a serious hearing. It's an appeal, so it's -- we listen very carefully to the issues, and as you know, ask questions. Proceed, please.

**Raymond I. Gerulf:** My name is raymond, I serve on the board for radio cab. I'm here to address the issue briefly of the even playing field. I've had numerous complaints from people that have elected me to the board of directors over the past year about towncars and shuttle services, and other people, bribing the doormen. This is something that is not good for anybody, because they distinguish between us and them, while radio cab has been serving this community for over 50 years. We have been regulated to -- over the last 12 years for the number of permits we have for radio broadway, green, new rose city and Portland. And letting the towncars, the limos come in and establish shop without setting up a real business and personal insurance, we also have been regulated by who can pick up in the city, only permitted cabs that have the license plates on back and pick up in the city. Personal permits with background checks, vehicle inspection that are supposed to be done every year for the city, so they know we're safe. Whether or not there is a need for the towncar service is up for debate. However, letting us establish companies run amok by Portland cars and putting more vehicles on is not. When people get a little bit happy, a little sloshed, they do not go out and say, hello, towncar, they go hello, taxi. And they wave their hands to get us. We might be a necessary evil, but we are a necessary and we are needed, and we need to be profitable, not only with the \$5 and \$8 runs, but also with help with the doormen for getting airport trips and being able to survive in an economy like this. Thank you very much.

**Katz:** Thank you.

**Michael Eaton:** Mayor Katz, members of the council, I thank you for giving me the opportunity to speak today. My name is michael eaton and i'm an owner-driver with green transportation. I've come today to speak in support of the board orders and I must say i'm in complete agreement with all the previous testimony supporting those board orders. I'm going to abbreviate my testimony because stefan and mr. Finley said the same things I wanted to say, but I have a couple of points to add. First, I would say that it is commonplace for towncars to remain park and unattended in hotel loading zones for times exceeding 30 minutes. And I would say this includes both tagged and untagged towncars. In extreme cases i've seen examples where there were multiple towncar operators sitting inside the hotels, working hand in hand with the hotel, running a cab stand inside the lobby that was exclusive to the towncar operators. I would also like to wrap up by saying that for cab drivers such as myself, as stefan has said, is it common though even though we have a

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prearranged pickup with a guest, we'll not be allowed to wait for them in the hotel zone and on more than one occasion i've had to do laps around the hotel until my passenger was on the curb. Thank you.

**Katz:** Thank you. I'm going to ask thomas larkin not to come to testify at this time. We'll see where we are at the end of the testimony.

**Sukhinder Mann:** Good afternoon, mayor and the council members. My name is sukhinder mann, owner of the american transportation, I provide towncar service only on call. I do not work anywhere in the hotels. I'm just making some comments on the previous mention of taxicabs drivers, too many cabs and too many towncars in the city. There are not too many towncars or shuttles in the city, it might need more in the future. If they are seeing saying there are too many towncars in the city, last year or year and a half before all the cab companies, we need more, we cannot cover all the orders. I don't know which one it is, this one or the other one. Number 2, cities should not be controlling all the towncars and the shuttles like. This it should be always flexible. Company one can -- permit fees, drivers license fees, that will be extra revenue for the city. For the revenue, taxi board just increased taxi drivers' permit fee from \$35 to \$60. For the revenues. And over here the towncar and the shuttle people wanted to give more revenues to the city and the city don't want to take it. And the same thing like that, if the city have open shops for prescription drugs of tobacco, which affect some public health, is always open, people are going to open five more shops or 20 more shops, but city wanted to control the towncars and the shuttles. Transportation is the blood cells of the human body. Same like that. If you will control that red blood cell, it will affect on the economy also. City can increase a city tax on the transportation industry as compared to the other businesses if they like to. Another gentleman explained that he was at the westin hotel, that he was seeing the towncar picking up. That might be true, but the city did not provide a cab stand to that one also. When I was a cabdriver, we -- taxi board review meeting, city denied for that. They said we cannot afford it. That's true if some towncar driver or shuttle drivers are paying kickbacks to them. Please take action, arrest them, put them into jail, whatever you like to do it, but \$1,000 fine to renew the permit is not appropriate. Reasonable fines, keep the doors open for the small businessman. Let the city keep running. Also put law enforcement on the parking lot when they see the towncars in front of the hotels, give them a citation. But closing the door is not a good idea. I believe in the u.s. is a free market. All the people can work and compete with each other and city should not control the minimum price, should put a list -- more than \$60 or \$50.

**Katz:** Thank you.

**Tuan Junkeer:** Good afternoon. My name is tuan junkeer, and I have been operating shuttle transportation industry for 11 years. I'm one of the first to second to the blue star company, which is pick up door-to-door permit issued by the port of Portland for me, and i'm a fully insured in -- and licensed in lake oswego, and beaverton, tigard, and tualatin, and carries a license for last 10 years. And I am here for -- to testify about our stickers and also the \$8 rate about the city -- for downtown. And i'm a standing committee member also. I recently resigned about month and a half ago, and did not agree with their decisions. Right now putting \$8 cap on the shuttle industry is very, very -- it's a tough situation, because the port of Portland is keep on promising us, which is they're going to impose the r.f.p. for request for proposal, which just like for three years or four years ago for towncars, and we've been waiting for that request for proposal for last seven, five, six, seven years. And I have about six, seven employee working for me, and provide a very professional service to city of Portland and brings every passenger explaining about the cities, which is we have, and beautiful city, and the people, and the life, and same as i'm a tour company also. And \$8 is pretty much I will say in the future, it will be ok for right now, the situation is a moratorium, which is they put the shuttle industry all the way to the back, so if any board requested a shuttle, then it's the only one, the shuttle company can come in. So that is waiting time, mrs. Mayor, waiting time is 4 1/2



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hours sometimes. Five hours. This is not joke. This is serious. And it's totally five hours we wait for one person to get a shuttle. Then the person comes, and go to downtown, then I have to pay for \$8 and \$1 and -- \$1.25 I pay for the gate fee, and then I pay 50 certificates to 75 cents for gas, wear and tear, and all i'm going to make about \$6.50, which is lesser than minimum wage of the state of Oregon.

**Katz:** Thank you. Your time is up. Thank you.

**Thomas Sexton:** Mayor, city council members, thank you. My name is thomas sexton, i'm a minority owner of cascade coach towncar. I have 11 cars. We've been in business for seven years. We have over 125 corporate accounts in downtown Portland. We do over 10,000 reservations a year. These are all reserved reservations, none of these come from the downtown hotels. According to -- we paid our licenses just like everybody else in november of 2002. In january of 2003, we were told we were going to have to pay a whole year again, and we asked why these numbers that we paid in 2002, which we thought were for a whole year, cannot be prorated. We were told it would take too much time and cost the city too much money to figure out how to prorate these dollar amounts. A couple other points i'd like to hit on is that in the opening, mr. Leonard had expressed there's too many towncars, too many taxicabs to serve the city of Portland. They base this on a population of 531 -- 538,000 people. Cascade coach services the counties of clackamas, Multnomah, and Washington county, which serves approximately 1.5 million people. If you take the number of taxicabs and towncars of 569, this comes to a ratio of 1 for every 2,600 people that serve these counties. They say adequate number is one in 1400. We believe there's not actually too many towncars, and taxicabs available. We believe actually based on these numbers there's not enough. They said that max has an impact on the business of towncars and shuttle advance. We'd like to argue for our clients who live in beaverton, tualatin, who don't reside in the city of Portland, they're not going to be willing to takes max ride from hillsboro to the airport when you have to be at the airport two hours early already, you're not going to want to take a 20-minute drive to go to your max station, sit and wait for max, take the max to gateway center, where you have to catch another train that will connect you to the airport. We believe people just aren't willing to take this time to do that. They want to get to the airport, make the most use of their time, and if they're business people who are riding in our cars, they're going to want to be able to do some work. They're going to want to sit on the phone, make some phone calls. They don't want to sit on the max station and worry about transferring or how long it's going to take to get to the airport. So we believe that this is -- we're not promoting a free enterprise. The city of Portland would like to promote a free enterprise, but the city of Portland is actually sending the wrong message by holding an economic gun to the citizens of Portland telling them we have to charge \$45 while a cab has to charge \$30. If the cabs want to eliminate this problem of companies sitting downtown, it seems easy to me to do, on a piece of paper, the hotels can say who they authorize as their towncar or cab provider, they can say how much each company will charge, and they can give this list to their clients when they check into the hotel.

**Katz:** Thank you.

**Katz:** How was your stint at the legislature?

**Michael Tolley:** Shorter than yours. [laughter]

**Katz:** Go ahead.

**Tolley:** I enjoyed it a lot.

**Katz:** Did you?

**Tolley:** I learn add lot.

**Katz:** I bet you did. Go ahead.

**Michael Tolley:** Mayor, members of council, my name is michael toley actually, i've been a cabdriver in Portland for a dozen years. For three years was a driver representative in the taxicab

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board of review as it was known at that time. I'm here to urge you to uphold the board orders that came about as a result of a transparent process that lasted over nearly a year involved committee hearings, and public hearings before the board. Several brief points I'd like to make. The taxicab industry is highly regulated as to what it charges, down to 1/18th of a mile. It is impossible for a highly regulated industry to compete with one that is basically unregulated. The moratorium that has been discussed, one thing that hasn't been mentioned, there's been a moratorium on taxicabs for at least six years. One permit has been granted to any company, and the older existing companies have not had any new permits in 10 years. The moratorium came about as a result of a well recognized oversupply in the market as towncars have proliferated like just quite a bit. Like morning glories in an untended back yard. That's what it was. The rates, every single person who came into the towncar industry or the shuttle industry in this city came in under an ordinance that said either has a towncar they had to charge consistently and substantially more, or as a shuttle they had to charge less. And now they're here to complain about the rules that were in place when they came about. My last point is I noticed yesterday and yesterday -- in yesterday's Oregonian that you are -- \$2.8 million budget deficit. Part of that deficit is caused by 84 companies with cars ranging in size from one to 14 cars who did not get a permit. Who did not pay the \$100 that the city asked them to pay to operate as a business in this city. And now they come to you and ask for relief. All the city asked for them in return for the right to run a business and use city services was to pay \$100 per vehicle and \$30 per driver. Those rates of course have gone up now, but we ask that you might consider the fact that some people have played by the rules, and some people have not.

**Katz:** Go ahead.

**Steve Entler:** Mayor, city councilmen, my name is Steve, I am the general manager of radio cab. I agree with the comments made by the previous people in support of the board order, and I would like to add the following. As a manager of the cab company, I have to struggle daily with the various operational expenses that are necessary to keep our taxis moving about the streets of Portland. A quick look down our expense list would reveal that vehicle liability insurance is easily our largest single expense. As it is risen sharply over the past couple years. We currently pay close to \$10,000 per year per vehicle. It is not just because we're a bunch of lousy drivers. The cost of automobile insurance has increased generally for a lot of people, but taxicab liability insurance premiums have risen disproportionately. I believe, I firmly believe one of the main contributing factors to this rise is the difference in the types of transportation that we provide today versus what was provided just a few years ago. In the past we enjoyed a nice mixture of hotel-to-p.d.x., p.d.x. to hotel trips to blend in with our normal street business. Today we depend almost entirely on phone-in business. It came as no surprise to me when I recently found out that comparable insurance for towncar is easily obtained or about one quarter of the amount we currently pay. For a taxicab the risk of getting into an accident while providing on demand service traveling through side streets and uncontrolled intersection is greater than the risk associated with the hotel-to-airport runs. Without the hotel-to-airport type of transportation to dilute the effect of the riskier phone-in on-demand business, it is no wonder our insurance rates have climbed. The price advantage enjoyed by the towncar certainly makes me jealous. I've even entertained the thought of removing the taxi meters and top lights and renaming the company radio cab relay to take advantage of the situation. Under the current level of city enforcement, there seems to be little difference in the type of service and pricing that are allowed for our towncar competitors. Those thoughts were quickly erased, however, when I realized we would be joining until with an industry where the largest single operating expense is not insurance. Not advertising. Not maintenance, not even vehicle payments. We would be joining in an industry where the largest single operating expense would be the bribery paid to the hotel doormen. Thank you.

**Katz:** Go ahead. There are a lot of people waiting.

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\*\*\*\*\*: Mayor Katz, council members, I agree with the previous statements in support --

**Katz:** Identify yourself for the record.

**Harvey Young:** My name is harvey young with radio cab. I'm a safety chair for our company. As such I want to say that the majority of our owners, we're owners of radio cab, drive a minimum of 60 hours a week. Many are driving more than 70 in order to make what's basically a blue color living. And in my role of safety chair I review the collisions and interview the drivers that have been in collision, and one of the things that we're finding is a percentage of those collisions are the result of not of incompetence, but of drivers who are driving in a desperate manner. And that's in terms of their attempt to earn a living. The decision years ago to add a number of taxis to the street and a failure to regulate the shuttle towncar industry are contribute together desperation of some of those drivers and they're make something poor decisions. While I don't defend them, I am here in support of the board's responsible response to this problem.

**Katz:** So what you're saying is we made a mistake a couple of years ago when we added additional cabs on the streets.

**Young:** That's my opinion.

**Katz:** That was your -- ok. How do you feel about it? We made a mistake?

**Young:** I think it got diluted out a little too far, early.

**Katz:** Ok. Karla?

**Katz:** Which one of you wants to start. Go ahead.

**Brad Hutton, Board Chair POVA:** I am the current board chair of the Portland, Oregon, visitors association. And also regional vice-president for hilton hotels. This afternoon i'm wearing my pova hat. A few brief hours ago this issue was brought to the board of directors of pova. And only then were we aware of what was happening. And that discussion led to a number of other discussions and led to a position that the board has adopted that I would like to read to you, and it's being handed out as I speak. The board of directors, position adopted at the december 11, 2003 board meeting regarding city of Portland taxi shuttle executive sedan regulation. Orders number 12014 and 12013. The board of directors urges the Portland city council to take appropriate action to delay. Implementation of order number 120-14 and 120-13 flat rate fare of not less than \$45 for executive service and the proposed moratorium on executive sedan licensing to allow sufficient time for discussion and input from the visitor industry and other stakeholders. It's come to our attention that these two orders would have widespread detrimental economic impacts for business and downtown Portland, the association itself, and many members of the association. Sincerely, brad hutton, board chair. I won't go into the details today. There's been a lot of discussion of why and why not. But we are simply asking for a delay to further examine the reasoning behind the two orders. Thank you.

**Carol Lentz, POVA:** Good afternoon. Mayor Katz and the commissioners, i'm carol lentz, i'm the executive vice-president with Portland Oregon visitors association, and I am also on the private for-hire transportation board of review. In that capacity go on the record to say I was the lone voice in voting against these measures. It is not so much the measures themselves, it's, I think some ill-conceived blanketing. There are two different issues here. One is for on-demand service. The other has to do with contracts within the business, in the business-to-business community. I'd like to give you an example of just this last week. Pova would have been greatly impacted by this order.

We had an executive airlift in towncar where we bought 41 meeting planners into towncar, when we bring them into towncar, we give them the Portland v.i.p. Treatment. We do this by getting discounted rates at the hotels, we get free admission to attractions, we get rates, we work with our partners at the Portland international airport at the airlines and we work with our member towncars to provide executive sedan service. Sometimes these services are given to us gratis. Sometimes they're given to us at an extremely discounted rate. And quite frankly, if we were forced to follow

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this rule, we would be in conflict with it because we were not paying \$45 a ride for those people to be picked up at the airport, taken downtown, and taken back out to the airport. What I would like to see is a postponement in this, or at least some direction from the council that advises or insists that the for-hire transportation board look at the issue of legitimate business-to-business contracting and the negotiating of those contracts. Another area as I put in the letter is, I think it could have a detrimental, and I mentioned this at the board meeting, the for-hire transportation board meeting. In that there are agreements and contracts right now before organizations such as nike and intel, some of the airlines that the new loft coming in insist their crews be transport bide executive towncars. And in that, they also negotiate around who's going to give them the best rate. And I think as a city, or as an industry I believe that the transportation people have to be able to continue to have that right. Based on the fact that, yeah, they're going to be guaranteed more rides. They can give a discounted service. I think it's different than dealing with the visitor who comes in and just wants to be getting a ride from a hotel. And the other problems that are true and do exist.

**Katz:** Thank you. So you -- go ahead.

**Leonard:** Are you a member of the board?

**Lentz:** Yes, I am.

**Leonard:** Did you ask for a delay of the implementation?

**Lentz:** Yes, I did.

**Leonard:** And they said --

**Lentz:** The board said no.

**Leonard:** And i'm just wondering, I guess I find it hard to believe that somebody coming to towncar, if they were told that the minimum rate per passenger was \$45 for a limousine, would decide not to come to Portland if they knew that.

**Lentz:** The issue is not deciding to come -- it's -- the decision is to come to downtown Portland. In --

**Leonard:** Or downtown. I mean, I have a hard time believing they won't come to downtown Portland if it's \$45 as opposed to \$30.

**Lentz:** May brad --

**Katz:** Let me just -- I think that was not the issue carol raised, she raised the contract issue.

**Leonard:** I thought I understood her to say when they were negotiating one of the executives --

**Lentz:** They want the best rates. It's the same with pova. I think you're tying the hands of the business community to be negotiating full package rates for instance with the hotel, and if brad could speak again, he could give an exact example of this within the last --

**Leonard:** On the other side, have you heard the testimony that these towncars are taking bribes from some of the hotels?

**Lentz:** Yes. And i'm not denying that. I'm saying that has to do with on-demand service or services that are already considered to be illegal, and need to be enforced. You wouldn't have to have any of these rules we have right now if those would simply be being enforced.

**Leonard:** We're talking about some of the same companies.

**Lentz:** Some of the same companies --

**Leonard:** That you're contracting with.

**Lentz:** No. Not that pova's contracting with.

**Leonard:** I think we'll hear more.

**Katz:** Did you want to -- brad, did you want to respond?

**Hutton:** I think that this volume account or this contract issue is really a core issue. Whether it be nike or intel, on a routine basis, whether it be hotel rooms, airlift, or transportation, they will send out r.f.p.'s for those services. It's those issues and that price fixing so to speak of that service that puts us at a disadvantage here. It's not fair. In my case, the airlines and i'm sure that other hotels

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have a very similar issue, require by contract that it be executive towncar services. That they're picked up. That price increase cannot be pushed out to the air linings or it can't be pushed out to the towncar individuals, it's going to be pushed out perhaps to the hotel. So it's an unfair advantage for us in that regard. It may be -- the distinction between bringing a crew from another county or outside the city of Portland into the downtown area, now with the pricing the way it is, it would be difficult but not impossible to be competitive.

**Leonard:** You understand that the current regulations prohibits towncars from charging the same price or less than cabs?

**Hutton:** Correct.

**Leonard:** So to the extent that you're doing that currently, you're violating the current regulations.

**Lentz:** And i'm suggesting that that may not be good policy 100% of the time. And that there needs to be flexibility built into this for those cases where -- as i've said in my letter, I think in our case where we're marketing and showplaces the city, and we're using city of Portland funds, and if we can get one of our partners who would be licensed, and a bona fide group, and we have an agreement with them, and they will do it for much less, we're costing the city of Portland a lot less, and in return, we're going to be bringing more room tax dollars, and we're going to be bringing business into downtown Portland.

**Leonard:** What does it do to the city if we're destroying the taxicab industry as a result of that? How does that help the city?

**Lentz:** I don't think that individual exceptions and having room for individual exceptions is necessarily going to ruin an entire industry.

**Katz:** Ok.

**Saltzman:** Go ahead.

**Katz:** Why don't you go ahead. Don't go away.

**Gloria Coon:** My name is gloria, i'm the president of pacific executive services. We provide luxury s.u.v. transportation as well as executive towncar services. I actually entered this industry back in march of 1997 when I was asked by pacific towncar to come on board for about 10 months and help them collect their receivables. Pacific towncar, some of you go back to those days, I believe, pacific towncar was the largest towncar company in the state of Oregon as well as in the city. It was actually the founding black towncar company in the city. They had at their height 25 towncars and over 50 drivers. They were an exceptional company and they went bankrupt. They went bankrupt for a lot of the reasons why these ordinances need to be put into place. I don't want to have to reiterate everything that's been said, but tremendous problems in this industry for bribery, for operating illegally, for not having proximity cards, city permits, it's the whole gamut. So via real flavor for this industry these last seven years. There are commercial operators in this room who made a conscious decision to flagrantly disregard the board orders set in 2002 regulating the l.p.t. industry. And also, ignorance of the law is no excuse. However, I do not believe they should be forced to go out of business for their foolheartedness over being penny wise and pound foolish, by making the assumption that the regulation was never be enforced. Many of them have worked tirelessly as I have to build their companies. I believe these operators deserve a second chance, and the proposed amendment by commissioner leonard does just that. The orders that have been presented to you today will go a long way toward stabilizing an industry that has been allowed to run amok in this city for many years. I commend commissioner leonard and the members of the private for-hire board of review for their efforts. I am asking the city council to do what is right and fair, not for the minority, but for the majority. These board orders clearly promote and conserve public safety, health, convenience, and welfare in a manner that best serves the needs of the traveling public that is so secretly stated in ordinance 397r of the port of Portland. Thank you.

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**Saltzman:** I guess I'll start with Carol. Are you asking for the business-to-business transactions to be exempted all together, or for this to be returned to the --

**Lentz:** I'm asking for --

**Saltzman:** -- some instructions by us?

**Lentz:** That there be looked at some way to crafting that that provides flexibility that could go through the same process that we have gone through. I think -- my feeling --

**Saltzman:** There would be some regulation, just not --

**Lentz:** Right.

**Saltzman:** \$45 --

**Lentz:** I don't -- I think it is being too intrusive on business-to-business activities. You had asked, I think it was you, Commissioner Saltzman, that had asked about the, do taxicabs enter into contracts. And they do enter into contracts. And their regulation is that they simply cannot charge more than their metered amount. They can charge less, and they do many times, those that are in medical transportation that work with Tri-Met. My concern with this is that we are setting a floor that is a, you cannot charge less than for those situations where possibly you are guaranteeing a company 100 rides and for those 100 rides, you know, should you be -- it's like buying wine. If you buy by the case, do you get it less than you get it for the bottle and you're making guarantees with that. And making sure that it is bona fide business-to-business activities, not a doorman on a napkin signing something and saying, this is my contract with the guy that just called in the cell phone. There is a problem with that, and I support what's being done 100%.

**Saltzman:** My question for Brad, as regional manager for Hilton, one of the biggest hotels in downtown, what are you have in place in terms of policies about your door people doing these things?

**Hutton:** First let me say I've had the pleasure of standing on the corner of Sixth and Salmon during many of the skirmishes out there, so I appreciate what the cabdrivers go through and I've been in this city my whole life, so I know. Portland's policy at the Hilton is to post who are preferred town car providers in the hotel. And we make sure that it is a regulated town car service, that it carries the proper insurance. As a matter of fact, we require a \$4 million per occurrence insurance coverage for our town car providers at the door. I'm not saying this happens every day, but the bellman as well as valet drivers are instructed to ask the customer what their choice would you like a town car, or -- excuse me a. Taxicab or can we make an appointment for a town car for you? And if those rules are violated and we find out that they're violated, disciplinary action is taken against that employee.

**Saltzman:** The door as you're exiting the hotel, that constitutes making an appointment?

**Hutton:** Any time -- at the concierge desk. They will also be given that choice, but they'll have to wait for that town car service to show up to the hotel.

**Saltzman:** But aren't there often as was testified, town cars sitting in loading zones?

**Hutton:** I have two zones, and occasionally you will see a town car, there but that's a town car that was called for a customer to be picked up. But we try to regulate that. I've got a very small spot and I have a very difficult issue managing my space and the road and Tri-Met at the same time. So I've got very little --

**Saltzman:** Do you have rules about employees taking bribes or tips?

**Hutton:** We've instructed that is not proper. I cannot tell that you doesn't happen day in and day out. It's an issue. Maybe some teeth need to be put in that -- into that, but it's not just with town cars. It's everybody who's out front.

**Leonard:** How does somebody get to be a preferred town car?

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**Hutton:** We take a look at their record in the city, how long they've been in business, we inspect the vehicles, we inspect the drivers, we made sure the proper drug testing, insurance, safety training, customer --

**Leonard:** How about current license?

**Hutton:** Driver's license --

**Leonard:** Current license with the city.

**Hutton:** Yes. That's a mandatory requirement.

**Leonard:** Who's your current towncar company?

**Hutton:** We use two services, one is the pioneer, and the other one is avion.

**Leonard:** Avion is not current. They are current? I'm sorry.

**Hutton:** I was going to beg to differ, because --

**Katz:** They are current.

**Leonard:** And they don't pay you anything to get to be preferred?

**Hutton:** No.

**Leonard:** And in the vacant spot out front, nobody -- no towncars sit will and -- there and wait for a customer?

**Hutton:** No.

**Leonard:** Never?

**Hutton:** I cannot say never. I -- their instructions are, no. We have room for three cars out front. We don't have the luxury of having anybody spotted out front of the hotel.

**Leonard:** We have just hired a taxi investigator that will be going out early in the morning, late at night just making sure we're all doing the right thing.

**Katz:** For the sake of transparency, i'm going to mention commissioner Saltzman's name as well, both of us are members of the v.d.i. board, visitors development initiative, I think that's the acronym. That was created at the time that we worked hard to expand the convention center. We were part of that solution when the voters turned it down. So I needed to let everybody know. On the other hand, I also need everybody to know that I do call cabs. [applause] whoa, whoa, whoa. [gavel pounded] i'm just trying to be even-handed. All right.

**Rob Gladney:** I'll get started. I'm ron gladny, general manager for the benson hotel. I want to first start and say that I think we've identified one of the largest issues with surrounding this particular situation and that is the permit process. I've heard repeatedly there's a number of towncars operating without permits, and licensees, and I think that's a greater issue, and I certainly appreciate the efforts that are being done. In regard to that. I think it's hurting the whole and I think hopefully we can adopt -- if -- we've got current language, i'd like to see us adopt better language and i'm prove that language to go out and maybe better enforce that type of situation. But I am here as opposition to board orders 13 and 14, and I have great concerns with those board orders, as a hotel. I guess i'm a bad boy hotel, as we've heard. We've got doormen out front they at the benson hotel, and i'm sure over time these folks have probably experienced some of the things we've heard about here. I will say we have an exclusive towncar arrangement with avion. I'm happy that we have them, I think they're the only one i've heard that has a proper permits, and I heard the question asked earlier how did we determine which towncar operator, we went through pretty much the same process. We identified somebody that has longevity, and we actually went out and inspected vehicles and we retained the documents from the employees and the operator insurance to make sure that this was in our -- a quality and licensed company that we wanted to use for our staff. For our customers. I want to tell you that a lot of the things that are happening between taxi drivers and towncar car drivers is not really about the business. A lot of it is demands from the customer. I think they each play a vital role in this Portland in the community, and they're going to continue to hopefully play a vital role. I know repeatedly my customers at the benson hotel have expressed

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concerns. And i've truthfully ridden both, and i've seen differences, and I think we've recognized today there is differences in the quality. In fact in the permit process the towncar has to have a certain quality and i'm not sure, I haven't heard about the taxi quality, but I do have documentation that shows that there is some differences, and our customers are pretty adamant, at least at my hotel, that they get in something that is not going to be stained, and they get in something that is smoke-free, and they get into a vehicle that is not offensive to them. I think i'm running out of time, and I just -- I think we've heard about the issues with other companies, I heard the question about what people make decisions not to come to Portland, yeah, I think commissioner leonard, I think that is a question that would come up. We do a number of group activity at our hotel, there are a number of companies that do business in Portland, and I think that would be an issue. I'd hate to see us lose that.

**Saltzman:** Can I ask a question --

\*\*\*\*\*: If people didn't --

**Katz:** Excuse me, you're out of order. You're out of order.

**Saltzman:** I wanted to ask you --

**Katz:** Acknowledge that.

**Saltzman:** The same question I asked brad, it sounds like the benson takes a pretty hands-off attitude about your doormen steering airport passengers to taxis -- to towncars rather than cabs. You really don't care.

**Gladney:** We ask our customers what their preference is, and we have a company that has competitive towncar pricing. At the hotel. And we utilize --

**Saltzman:** Somebody can walk out to the curb, go into the airport, and they're given the choice right there, towncar or cab, they don't have to have a reservation.

**Gladney:** We have an opportunity for them to make a reservation, if somebody comes out and they want a towncar specifically, they request that, and we have a lot of return customers that do request that, we will make arrangements for a towncar to come to the hotel. And we have an agreement with avion that we have vehicles that are parked in a parking garage that we actually lease spaces for that we can keep them in close proximity to the hotel for somebody that wants a towncar if that's necessary.

**Katz:** I think the issue is a little bit more subtle than that. It's the issue of appointment. And so if you do ask somebody coming out of the hotel what's your preference, that's not an appointment. And I think the code specifically says that. Because we talked about that several years ago.

**Leonard:** You're in violation of the current ordinance. How much do you charge?

**Gladney:** How much do we charge --

**Leonard:** For the towncar.

**Gladney:** A towncar to the airport is \$30.

**Leonard:** That's in violation of the current ordinance.

**Gladney:** The current ordinance is \$45.

**Leonard:** No, current -- the current ordinance says substantially more than the taxi rate, and the taxi rate has been testified to as \$30.

**Gladney:** Ok. Last I checked with the taxi rates we were getting it around -- was around \$28.

**Katz:** My hope is that after this conversation that all of the hotels in the downtown area get together to clearly understand what the existing rules and code are.

**Leonard:** As I said, we have -- part of this has been a responsibility, we have to share, because we haven't had the resources to go out and enforce the ordinance, and we have a person now that will be doing that. That's that person's job.

**Gladney:** I think that's -- if I can add to that real quickly, I think the hotels want to help out, and work through this. And I can tell you I was a little surprised when this came out, because I was not



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on the list, not being a taxi driver or towncar, to be involved in any discussion, or add to, and I think the hotel repeatedly has come forward and tried to assist with these type of situations.

**Leonard:** We're going to be coming to you, and I want to engage new conversation about this ordinance we're drafting, and brad as well, on the fines for taking a bribe or receiving a bribe, or having any financial arrangement between the for-hire industry and the hotel, because the concept is the two parties involved will be fined, but so will the hotel. So we definitely want to talk to you about that.

**Francesconi:** I just -- the differences have been subtle in the testimony between the hilton and the benson, but there's still been differences. And unfortunately I do agree with commissioner leonard, that your current practice violates what we did before. That's not what I heard in the hilton approach. So you need to stop doing that right now. From my point of view.

**Katz:** That probably is a blanket statement for everybody that's been doing it. Everybody that's been doing it. You are an important part of our -- i'm not lecturing you, but you're an important part of our industry, as everybody sitting in this whether it's a towncar or taxicab, and we need to make sure everybody is playing by the same rules. At least the rules that have been established.

**Tony Seymour:** I'm a radio cabdriver in Portland. I want to thank you for considering this and I would like to go on record as supporting the motion that's the board has presented. And i'd like to say as much as other people have spoken, i'd like to thank commissioner leonard for his aggressive work in seeing to it that some of these things have been lying on the desk for a long time have at least been dealt with. And i'm not in competition with executive cars. I run a cab. And I have specific things that the city of Portland has asked me to do. I do those things. Our company makes a point, i'm also a part of the safety committee add radio cab. And our company makes a point of seeing to it that our cabs are clean, safe, operated by people who speak the english language, and various other important things that we think are really attracting people to this city, and being ambassadors for the city. I'm not -- what I said earlier, i'm not in competition with the executive car service. I don't want to be. And what i've heard some of the people who are operating towncar executive services saying is that they want to be in competition with me. And I don't want that. And I think this particular measure has addressed that pretty clearly and said if you want to call yourself a towncar, you want to call yourself an executive car, you have to charge substantially better rates and you have to have substantially better equipment. If I was required to have a \$35,000 automobile to run my business, i'd be in big trouble. So I want them to make more money. I want them to charge more money. I want it to be very clear that if you want to go to the airport have tissues on the seat beside and you a phone to use, and a plug-in for your computer, you're going to pay for that. But if you just want a ride to your -- to the airport, that's me. And i'll do it as inexpensively and efficiently as I possibly can. So -- i'm not trying to be funny, i'm trying to say i'm not in competition with them. I support their need to be here. I think a long time ago the taxi industry missed a good bet by not creating its own towncar system. But that's neither here nor there. We have a highly regulated cab system, i'm perfectly ok with what you've asked me to do. I love taking groceries home for little old ladies who may or may not remind me of my own mom. But the deal is, the towncars are not expected to do that. And they don't do that. And I don't want them to do that. They don't know how to do it. I'm very good at it. I want to continue to do it. But if you ask me to never take any of the rides that have some profit involved in them, you've seriously limited my ability to stay in business. And I really appreciate the fact that commissioner leonard and the board has done a lot of work to address this, and if we table it as was asked by some, and if we ignore it by others or limit it by others, or stop this from going into place similar play because there's some exceptions, I think we'll limit the process, the ability to do our job. And I think -- thank you very much for doing that.

**Katz:** Thank you. You can't see them, but they're waving. Sir, go ahead.

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**Robert Kohn:** Mayor, members of the council. My name is Robert, I'm from radio cab and I have served our residents and businesses for over 22 years. Also I served our country in the marine corps and I was service connected disability. I agree with the previous testimony in support of the board orders. I won't bring up the fact Benson Hotel used to be my absolute favorite. Today I consider it a waste of time to park on that stand. You can just not go to get anything. I can't even remember the last time I got a lucrative trip off the Benson. The Hilton, the manager was truthful, he is even-handed on the way he operates the Hilton Hotel. The thing I'd like to address is the disparity of taxi trips from the airport to the hotels, versus those trips originally from the hotels back to the airport. When given a free choice with no undue influence, well over 95% of the people take taxis to the hotel from the airport compared to under 5% by the towncars. The numbers are approximately reversed to the airport. Exactly what happens to all these people that prefer taxis to towncars? Into the picture steps the doorman. The doorman turns the guest into a commodity. Maybe a sack of potatoes or a bag of rice to be auctioned off to the highest towncar operator. I know firsthand -- you can't get a taxi this time of day. The taxi understood is reserved for someone else. I can get you the luxury towncar for the price of a taxi. The cabdrivers in this city are totally unsafe. We don't trust our guests in them. There's probably many I haven't heard. In closing, I'd like to point out how sad this situation has become. And the prolonged time that has -- that it's taken to fund it. There's no time like the present.

**Katz:** Thank you. If no more hands go up we'll continue with three minutes. But if you decide you want to come up, we'll have to cut it off. Go ahead.

**\*\*\*\*\*:** Thank you, Mayor. I'm trying to think of something that has not been said.

**Katz:** Identify yourself.

**Larry Harvey:** My name is Larry, I'm here as executive director of tri-county lodging association which represents close to 8,000 lodging rooms in the region. It is obvious to probably everyone that we've had a problem and that a problem still exists if we were to leave this exactly the way it is as it stands, it probably would still continue to exist. I would suggest that from the standpoint of at least the lodging industry that I represent for those people who can't be here, we give consideration to some of the issues that have been raised as to how we can make adjustments not to disadvantage anyone, but to continue to provide for all the tourism industry folks that do business in this region. I don't operate a motel anymore, I don't own a hotel anymore, and -- but I can guarantee you that the association as an organization in this region does not condone bribes or any other type of graft, so there's really no reason to debate whether or not folks should be taking bribes or whatever we want to call them. From the standpoint of the legitimate operations, such as those that have been described by Mr. Gladny and Mr. Hutton, I believe they have some concerns that out to be addressed. There are some concerns on our part from the standpoint of setting minimum rates and so on. They don't let us do that in the hotel industry. They call it price fixing, I think. So we try to stay away from that. Let's be figuring out what our rates should be in jail. And the bottom line is that I think --

**Katz:** What was that last comment?

**Harvey:** I said, setting specific prices, agreements to set specific prices within the context of the hotel industry is not allowed. We can't all get together and say, we think that everybody should be paying this.

**Katz:** There was an after -- there was another comment.

**Harvey:** They tell our industry that's price fixing. So we can't do that.

**Katz:** All right.

**Harvey:** So we're working hard to stay away from those kinds of issues. But that's not disagreement that the law shouldn't say for one kind of product you should be charging a different rate for from another kind of product. So we don't have a problem with the vast majority of the

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issues that need to be addressed. We, like some of the other folks here today, had no idea exactly what course the transportation board was taking. We would be happy to participate in looking at just a couple of the issues that have been brought up. We have made contact already with both Justin Dune as well as Jim Wadsworth, and we've continued to work with the city in the past on these. We just want an opportunity to do it again and we'll be happy to stay at the table until we can find what good mutual resolutions might be identified to resolve all the rest of these issues. Thank you.

**Patrick Shorb:** Patrick Shorb, radio cab, and Mayor Katz and the council, it's a pleasure to be here. I've been a commercial driver in Portland since 1972 when I drove for Tri-Met for seven years. I did some town-car driving in the 1980's, and I've been a taxi driver now for eight years, and I'd like to say that rather than have regulation enforcement by the city that I'd rather have that as opposed to the current situation of having hotel doormen doing the regulating, and the enforcement based on their own vested interests. I'm very pleased to hear there will be an investigator and I think that's a great start. I don't think one will be enough to do the job effectively over any period of time. Because enforcement is the key to solving many of these problems. And so I hope that the enforcement will come, and that it will grow, and that it will be effective. And lastly, now that what I've heard mostly when people refer to leveling the playing field, that's been more in the context of a driver versus driver industry versus industry basis, but I think it's time to also go a little furthermore directly to leveling it for the customer base, especially for example, customers that are in a hotel lobby. I think that information -- there should be an information transportation kiosk where their options are clearly spelled out right in front of them, they don't have to rely on whether somebody has a vested interest in their transportation. They can see what the generates are, they're posted clearly in then a very conspicuous manner, and I think the same South Dakota be -- should be true at p.d.x., though I'm not certain that's not the case at p.d.x. So thank you very much for the work that you have undertaken, and accomplished so far. Thank you.

**Katz:** Thank you.

**Chris Casteel:** My name is Chris Casteel. Thank you for your time. I offer myself for opinion and any expertise in the 10 years I've been doing this. I've read the board orders, and do agree and applaud the efforts that have been done. The findings are correct and there is an overpopulation of transportation providers in the core downtown area that are affecting a necessary service taxicabs. I believe that it is vital for the city, and for my own personal business that the taxicab system is healthy and strong. I do however have concerns about board order number 13. I must let you know that six of my 12 town-cars did not renew in 2003. About the I'm not here to complain about my noncompliance. I want to point out my reasoning for the unfairness of the moratorium to the luxury transportation providers. Silt agreed the taxicab service in Portland or any city is necessary and vital for its citizen and special care is needed to ensure the effectiveness and profitability of the taxicab service. However, it is also the city's intent to deem it necessary to regulate and support the luxury transportation segment of this industry? If so, yet is, should the city aim to control this commerce? Blanketing of all luxury transportation into the same moratorium as the executive sedan assist not the intent of the ordinance or the proposed board number 13. From the talks I've had from staff, it is the intent of the ordinance and the board orders to include any vehicle that has four wheels but is not a bus. Being part of this process from the beginning I have never seen any language that would account for this intent. Prestige limousines also has of course limousines, luxury advance, s.u.v.'s, and mini-coaches that were never permitted because in our view they were never required to do so. Enforcement is the only way to ensure that the intent of this legislation is effective. We have seen very little evidence of enforcement of this legislation and therefore the problem still exists. If it is the intent of the city to provide an environment that is fair and level for the taxicab service, enforcement must be the priority. If it is, the overpopulation population will go

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away. Therefore, assuming enforcement is placed as a top priority, my recommendation at this time would be as follows. A safety certification and registering of all vehicles luxury vehicles so the city can ensure the safe operation of these vehicles to the public. Drug tests, criminal background check, drivers, a.s.c. Certification of vehicles, that type of thing.

**Katz:** I'm going to give you 30 seconds.

**Katz:** How many recommendations do you have?

**Casteel:** Three more.

**Katz:** Quickly.

**Casteel:** Redefine the effective transportation providers in the ordinance so -- there is no confusion about which vehicles are needed registration and which ones are not. Enact a grandfather clause to the countries that prove -- to the companies that prove their fleet is integral to the scope of operation and the fleet was in place when the ordinance took place in may of 2001. I've tried to unite the certification process with the port of Portland so that every driver doesn't have to pay for the same certification, drug tests and criminal background checks for both the city and the port.

**Katz:** Thank you.

**David E. Jones:** My name is david jones, broadway cab driver. I want to speak in support of the orders of the board. I want to impress upon the council how many veteran drivers we've lost these last few years because of the difficulty to make a decent living. I don't recognize a lot of the drivers at broadway as being there when I started five years ago. I'm sure the turnover rate is higher there than the general industry. It means there's some inconsistency in quality of customer service. There's a loss of drivers that know how to avoid accidents and tickets, drivers who knew each of the neighborhoods, knew the shortest way to get across towncar, and avoid worse traffic jams during rush hour. It's a loss of drivers to get to know the regular customers and their individual needs, a loss of drivers with communication skills, i'm not sure if broadway requires drivers to speak english. We get to know the customers in the neighborhoods, we brighten up their day, and I know that many of them tell me they are spending days alone at home, and they look forward to seeing a familiar driver, someone who knows them by name, someone that shares moments of pleasant conversation, and I just ask that for those of us who enjoy helping people to get to their appointments and run their errands, it's important for us to know that we have your support and please do not let gypsy cabs cherry pick the better rides.

**Katz:** Thank you.

**Frank Choto:** My name is frank choto. I currently own pioneer towncar. There are two pioneers in the city. There's pioneer executive, the one that serves the hilton. I don't. I am pioneer towncar, mine is a specialty towncar that specializes in transporting children. We also specialize in transporting blind people. We work with ohsu, some of the programs, boarding schools, you may have received some communication from them. But I wish to speak generally. I am the one who sent you the -- if it has been handed out, the petition. What we wanted to indicate to you is that the processes it has evolved has not involved the industry, our luxury industry as you might have thought. I remember you had asked john to involve us, but in fact that has not been the case. Chris and gloria, who have testified in support of that, really have not been in touch with us. They were selected and put in there, and so some of these things are a surprise to us, and we might go back and rework them as per the last time when we were here, the commissioner and mr. Francesconi, the commissioner, were very emphatic that we be involved in this process. It's also important I might add because there is substantial immigrant community that has come into the transportation industry and who are not familiar with american process. And I am. But even I have fallen victim, let me tell you. I have a company registered in salem. I have a license here in the city of Portland. Distinguished between a license and a permit. Permit is a new process that has been in place for about 18 months. And I believe the people who sat before you here and say they have not received

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communication concerning the permit, some have received communication concerning the permit, but they have not taken it up because they have been waiting to be involved in the process as per the instructions of the commissioners the last time the regulator was here, mr. Hamilton. That has not happened, and we need some of that. And so we find ourselves illegal, even though we are legal at the airport, we have car insurance, and there's a whole bunch of them. We have to be sensitive about this, because the amount involved here is millions of dollars in expensive equipment by many companies who are serving many clients here in our community, and it just cannot be that our regulations simply sweep them out like that over the christmas season and suddenly in the state with the highest unemployment in the union, and in the constituency, this minority people who are the highest unemployed here, are the ones no ho are going to be swept out in winter without an income.

Take a look at that, and I think we will come up with a right decision. I think that's the difference between some of the way countries are run in africa and what I have seen here in the united states. Eventually you will come up with the right solution. And I would say take this back to the committee, involve us, and come back with some of the solutions.

**Katz:** Thank you.

**\*\*\*\*\*:** I will stop there.

**Patrick Fesler:** Mayor Katz, commissioners, thank you very much for being here for us today. You may have remembered from years past, i'm patrick fesler, used to be the president of pride, which was an organization that stood on this same issue eight years ago. And I am really thankful to see that your office, mr. Leonard, has done such a great job at bringing this forward. I think that it's going to do a great deal to restore the faith of all transportation providers as this ground shakes down and gets solid again. We have had so much confusion and chaos in this city regarding transportation, and it's all because people really are sniping each others' business. There is no regulations. You know, when this occurred eight years ago, the city deregulated us, and it -- it threw everything up in the air. And I really truly believe that making these standards set, I support them entirely, I think that we're going to see an increase in transportation service, we're going to see better service, we're going to see people, the public finally getting served the way they should be.

**Katz:** Thank you.

**Sandor Vitok:** I am Sandor vitok. I was a towncar driver and I'm driving for broadway now... I was one who brought to make a living. Ok? I paid benson hotel \$7 and I was told I can't charge more than \$3. Hilton hotel is \$7 to \$10 and I can give you all the hotel each number how much they charge. Even today, some of our colleague bribing as a cab driver and they will have their cell phone, a prepaid cab driver leased in that hotel & that calling for airport. That point you heard enough testimony, I can be one of them because I did it even if I violated that law. On the other hand, when I work for towncar, they paid \$18 to take two cab them for Portland. I was the driver. I lease 40% of that and I paid for my gas and I paid for my gate fee out of that. So you add it all together, I did have about 10, maybe 12 run daily and when we was waiting late night, for a crew because a airplane was late for weather or any other reason, I was there at 2:00 in the morning, two hour, no pay. So from a driver point I just don't understand why there's a driver that don't support this so they can make more money. Ok? And on the other hand, when a company I work for disclosed under coachman, they did not pay over the drivers and some of them is here, who were \$40,000. I know personally. City when I called in for city we don't got no help because we was supposed to be self-employed. Ok? And when we went to the litigation to the attorney, out of the 10 point to be Self-employed is only one point was good. We own our own car. The rest of it we fall into the employee. So you are the city. You are missing lots of money on tax and things because many places is not regulated. Any time I work 18, 20 hours. One time I was fired because I went home. I was tired because I went home. And we not supposed to drive 14 hours. Ok? Two, charge, mosh, and, b, the executive driver should make point. I went to the program, what required.

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Port of Portland, to be an ambassador to know a minimum information about the city. That's a great program. And I totally appreciate your hard work and listening to allow us here to make our life better.

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

**Mike Engle:** My name is mike engle and I am president of radio cab company and I represent the 340 families who are making a living wage at radio cab company. We have served citizens of Portland for 54 years. And we support the board orders. And we used to support or we used to service the visitors to the city of Portland as well. But we cannot afford to sit at the airport, sit on the taxi stands, and let the citizens of the city wait while we are gambling that we might get a trip from a hotel or the airport. The taxi board of review or as it's currently known, the for hire association, has instituted many rules, regulating our industry. And we follow all of them. And we are competing with companies who follow none of them. So we support the board's decision.

**Katz:** Thank you.

**\*\*\*\*\*:** All right. Go ahead.

**Randy Owens:** Ok. My name is randy owens. I'm with Portland taxi. I've been with Portland taxi since 1983. I just wanted to clarify some of the things that were said here earlier. One person said that substantially and consistently hire was not in the regulations originally. They were -- it was said to be premium rates and then when the board was asked to clarify premium rates, that's when they came up with substantially and consistently higher. A friend of mine that drives for a town car company and I were discussing the flat rate of \$45 to downtown and he was campaigning about it and I said, well, the problem is there's no consistency in your business, that they charge one thing for one thing and one thing for another, and he said, well, no, we have set rates and I said, how much do you charge to, say, 82nd and killingsworth? A very, very short run out of the airport. He said \$30. What do you charge to downtown? He said \$38. And I just heard the first man who spoke said that eagle charges \$45 to beaverton. Well, one to the short one to northeast is three times as much as a cab would charge. the one to downtown is less than 30% more than a cab would charge and the \$45 to beaverton is the same as a cab would charge. This is not a premium rate not in my opinion because plus it depends on where you are going on what they charge. And I think this is wrong. I think you guys are doing right by addressing at least to downtown and I hope it's just a first step toward doing something about the rest of it. Thank you very much.

**Katz:** How many more do we have?

**Moore:** We have about 12 more.

**Katz:** I didn't see 12 hands. How many more? How many more wants to testify? Ok. That's it. No more. All right. Go ahead.

**Andrew Storer:** Ok. My name is andrew storer. I have worked in transportation for over 10 years. All in the city of Portland. I am a veteran, so I went all over the place. I have been to a lot of different countries and things like that. And I found that I love Portland better than any other place in the world. I came from most recently I was the operations manager and I ran all my sons moving and storage for the last couple years. I left a job where I was making \$50,000 a year to try out the taxicab thing. Unfortunately, after a week, I was hooked. People of Portland are great. I love them. I love this job. I just simply want to be able to make an income doing this job. I'm not asking for a lot of money but right now i'm making less than minimum wage. What I count on is my personals. People that want me specifically. Because maybe they like me or because I give them exceptional service or just because they are getting used to seeing my face. If I don't get at least like five, six fares to the airport in a day, i'm not making enough to do everything else. The couple things I wanted to address was simply put, some of the town car representatives mentioned how they are a small businesses. Realize that every cab driver that you have talked to today is self-employed. They are self-employed. They have a contract with the cab company and we are paying,

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they are talking about medallions in new york or whatever. We are spending regardless of what company you work for because I have compared them, they are all pretty close to the same as far as what you pay for dispatch. We are paying about \$20,000, \$25,000 a year. You work for five years you have paid the same thing as a medallion in new york. I get about one job per hour. If all I do is get \$5 fares to amtrak and things like this, you know, schlepping groceries, i'm not going to be able to make it. That's pretty much it. I'm not throwing dirt on anybody. I think the shuttle problem can be easily solved by simply having schedules. if the hotels have a schedule where the shuttle guy is going to show up at certain time every two hours or whatever, the shuttle guy isn't wasting his time. He will be able to do a lot of fares. velocity multiple people in the vehicle. The town car they have superior service. That's what they should be advertising. I think that they shouldn't have a fixed price. I think it should be comparable to the service they provide and it should be higher than hours ours but they provide a different service. I think it's right the one guy that was in front of the benson charges \$30. I don't think it should be \$30. All he's doing is getting from point a to point b and the other car has the fax line and phone line, they have a better standard of service, they should charge more. There should be a window there that every company can charge based on their service. All cab companies are providing the same service. That's why we have the same rate.

**Katz:** Thank you.

**\*\*\*\*\*:** Thank you.

**Enrique Patlin:** My name is Enrique patlin I have been driving cab for 12 years.

**Katz:** You have been here several times.

**Patlin:** I just want work nights and I know the business from the hotels at night is very different. We get call all the time from hotels because they know they are going to four blocks away to jake's, they are going to the restaurant for \$5 for \$6 and I don't think when they come out of the lobby that they are asked, do you want a town car to go five blocks away? Or you want a taxi? And 1:00 in the morning, they don't call a town car for the customers. They call a taxi because we are there and because sometimes people go for \$5, \$6, that is the business the total is giving to us is the small business. And I know we need them but we are know they need us, too. And it will pay to boycott certain hotels two days completely and they will know how important our business is. For their business, too. We all need each other. I just wanted to know that it has happened in other cities where cities have boycott certain hotel because of the practice they kept. That's all.

**Katz:** Thank you.

**Rob Brower:** Mayor Katz, commissioners, thanks for your time. It's been a long day for you guys.

My name is rob brower. I am a member of the board of directors of radio cab. I have got eight years of radio cab and my family has 50 years in the taxi business. My dad served 25 years as general manager at radio cab. I'll try to keep this brief. I have a lot of interesting conversations with them and I will have this one on sunday at breakfast. I asked him how we deal with this particular problem of what's going on with the hotels and everything. Many years ago. Dad told me that radio cab itself would not be able to solve this problem. That it would take an effort of all of the people involved in the industry to get together for the city to hear the voice. I want to thank everybody, the board that finally got everything brought, as well as the boards that were before because it took the effort of many years to get this thing finally to where it is today and I guess my biggest challenge is to not let it just end here, that everything is heard and this city we can be as proud as we possibly can. I love doing what i'm doing and it's a great town.

**Katz:** Thank you.

**Katz:** I think I saw three hands. Can I see those three hands? Come on up.

That's it? There was one from that end. All right. That's it. Come on up. All right. Who wants to start? Go ahead, sir.

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**Brandon Sofge:** I would be happy to. I am Brandon Sofge. I represent around the town car service here in Portland. We have five cars currently licensed with the city of Portland. We enjoy doing business here. We have three issues before this board, all three are very important. We have a moratorium which I fully support and am in favor of. The issue of licensing your vehicles is just that, an issue of licensing. You have an Oregon state plate allows you to drive your car on streets. Has an expiration date. You are mind of that because if that lapses you will be pulled over and fined and towed. Same thing applies to cars with commercial plates. We also have an expiration date. It lapses. Just because no one has ever caught up to us to tow us doesn't mean you don't renew it. The same principle applies. The second issue is regarding the flat rates. Flat rates are important. They help us define different levels of service. It helps the city make better choices and provide different services to different types of people. However, the contract issue which unfortunately got set aside and ended up as bystander language to the ordinance does not address the needs of certain industries. We currently have a contract with the American Cancer Society to help transport cancer patients from out of the area to OHSU to receive treatment. We provide that to them at a rate of \$20 from the airport to OHSU. Yes, this is currently would be in violation of codes but we do it as goodwill gesture as part of our commitment to working in the community that we also do business in. I think this is an important part of what we want to accomplish and in light of what he said I would fully support the position in taking the time to address these business to business relationships for contracts, for special needs type circumstances. The third issue really for the executive sedan side has been enforcement. We do have regulations in the code right now. They never have been enforced. The situation kind of grew out of a lack of enforcement. I am very happy to hear that there is somebody who will be bringing these regulations upon the industry. I think that in combination with some smart steps now in approving a moratorium and in addressing these contract issue really will help get this issue back to the industry and stop wasting the time of the city with something we should be able to self-regulate.

**Katz:** What's the name of your --

**\*\*\*\*\*:** Around the town.

**Katz:** Around the town. So you don't have any issues with any of the appeals. You just identified the business to business contractual issues.

**Sofge:** Right. We support all of the ordinances with the exception of the business to business contractual issues because they do limit genuine need for providing service to other business situations and being a good member of the community and being able to provide those assistive type roles when that's necessary. And it's all comes from addressing things like carrying the car seat, to be able to get the luggage because oftentimes you will have a child traveling with a mother and it's very hard sometimes to be able to do all of that themselves and we were able to step up and provide those service and do them at a net loss to our company but in support of the community.

**Katz:** How many other business to business contract that you have where you charge lower fee?

**Sofge:** Right now we currently only have three.

**Katz:** What are they?

**Sofge:** With American Cancer Society, with Pacificorp, and with, there's pending one with Alaska Airlines.

**Katz:** Ok. All right.

**Robb Shecter:** Hi. My name is Robb Shecter and I am a driver with Broadway Cab. For me my focus is on regulation of the industry, recognition of taxi's responsibility to the city, and the actually town cars to me seem to be against a free enterprise system here. I would like to refer to the chart showing airplane costs that was shown. Can I grab that?

**Katz:** We know that. Don't waste your time.

**\*\*\*\*\*:** Ok. Great.



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**Katz:** We got it right here.

**Shecter:** To me this chart was so manipulative. It could be used as a textbook example of in the misuse of statistics. It showed fared, airplanes hundreds of miles, cheaper than taxi cabs. But I think a better comparison would be taking a plane flight that you would reserve within 30 minutes of deciding you wanted to go, that would be completely private, no one else on it with you and that would be happy to stop for a pack of cigarettes if you wanted to on the way. I have a feeling that that kind of plane flight would not be \$30. And so when I see something like that coming from the what to me is the other side it makes me question all their, everything they had to say today because I don't know where it's misleading and where it's not. I personally think they're squared of letting the free market decide. I wonder if that given the chance, you know, with some of the way these trips are decided on the fly, with the cars being presented, customers really would always choose a luxury transport if it cost more. Because for me this is the luxury operation here this is an unregulated taxi operation is what's going on. Taxi in the larger sense of the word. Basically what is the function it's providing? Moving people around for money. And what I see going on it's a lot like with the telecommunication industry where you have telecommunication companies are regulated, they get subsidized service out in outlying areas, people get the same rates for telephone service plus does the community a whole lot of good. Any of us stuck out in the middle of nowhere to go to a pay phone and use it but mean while you have cell phones coming in giving them competition and things have to change. It's going to have to be looked at. I think that's exactly the same situation here. An alternate method, a luxury choice but taking out the tax base so to speak from the taxi industry. Finally, I believe because of the economic in Oregon state of the economy over the past couple years, when we have seen this tremendous growth in town car companies like we have heard about, I believe that this is not imply a tremendous increase in demand for luxury services but rather implies a tremendous increase in the exploitation of this regulatory loophole. Thanks.

**Muhammad Najieb:** Mayor Katz, members of the council, my name is muhammad najieb. I am currently with eagle town car and I would just like to say that I have functioned in the transportation industry for 25 years. And with some of the largest companies here in the Portland area and I currently hold a commercial driver's license with all endorsements. But I can understand the need for regulations and I think that they are beneficial but I do speak out against the more moratorium on town cars because I think of the blanket approach and I think that is set in somewhat of a dangerous precedent because it's disallowing some of us in this industry to be able to pursue adequate means of providing the beneficial employment for ourselves while allowing others to be able to benefit from us not being able to. I'm saying that the regulations as they are, they probably need to be looked at a little bit closer because there are some aspects of it I think are beneficial which I heard randy leonard the commissioner say in terms of enforcement and infractions. I think that's necessary and that would be beneficial. But I think for the blanket approach for it to refer to all town car and executive services, it's unfair. And I think that it needs to be looked at and looked at from a point of even the customers have not been asked or their opinion in terms of how this legislation or how this particular moratorium is going to affect them. Many of them like town cars and I am not here to say that I am against taxicab drivers because I think they work hard and they have a right to pursue income and produce something for their families, too. But I think that we have to come to a happy medium with particular moratorium and find the balance in it so that it works out for all of the citizens here in Oregon and not only Oregon but right here in Portland and like I say, we are at 8.5% unemployment. Any loss of jobs in this particular industry or anywhere in this state or city I think will be damaging, have a damaging effect overall. Thank you.

**Katz:** Thank you. All right.

**\*\*\*\*\*:** We have someone who signed up who wanted to speak.

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**Katz:** Come on up. Would staff come on afterwards to answer some questions? Go ahead.

**\*\*\*\*\*:** Mayor Katz, commissioner, good afternoon.

**Katz:** Good afternoon.

**Hamid Amini:** My name is hamid amini. I have been green cab company for five years. I make it short, only comment I want to make about the town cars is that they decide you know, the door mans decide for themselves whether they take cabs and the customers have been lied to for several years, you know. I have had that experience several times that the customer is being kept inside the lobby, and the doorman will tell them that there's no cabs, cabs are so busy right now so it's not available so I will call you a town car. And they quote them same price, \$45 town cars and \$45, you know, so they advertise for the town cars and they keep the person, you know, the customer inside the lobby. They won't let them out. So, you know, they see, you know, cab standers, cabs sitting there. And I think that's just corruption that's created by the town cars and the doormens of the hotel. And they tell, you know, that is \$45 charge with a cab or doesn't make any difference, you know, whether you take a cab, they are going to charge you \$45 whether you take town cars, it's \$45. And this is corruption, you know. This customers have been lied to for many years, and I see it on 10 different occasions, my cab got the customers telling me that why do they tell us that the cab is \$45 and they tell us that they don't have insurance, the cab companies don't have insurance, you know? The limit of liability is not enough so the town cars is better. So this is what they manipulate the customers. They decide for the customers. That's what we are here for, you know, to solve the corruptions. That's all I have to say.

**Katz:** Thank you.

**\*\*\*\*\*:** Thank you.

**Katz:** Staff, come on up. Any questions by the council members?

**Saltzman:** What's the cost for a permit more a town car? Or a license?

**Justin Dune, Bureau of Licenses:** For a driver permit for a town car is \$55. It used to be \$30. It was raised. The difference goes into the safety fund and pays for the safety cameras and safety training. For a vehicle it was formally \$100 and you have heard that number mentioned. It is currently \$155 and that \$55 goes into the safety fund for the same purposes.

**Saltzman:** Nothing, is there a license also involved?

**Dune:** The other thing that in the language gets confused as different folks deal with it. As you heard, almost all drivers are, in fact, private business people. They have a contractual arrangement if they are a cab driver with their home base to provide dispatch services, et cetera. But because they're small businessmen, they all also have a city business license. So to put a vehicle on the road takes three things: A business license, a driver's license, and a vehicle license. Those are called permits. And nancy is trying to get me trained.

**Saltzman:** It's the vehicle license we are putting a moratorium on?

**Nancy Ayres, Sr. Deputy City Attorney:** That is absolutely correct. Vehicle permit. Not, no limit on drivers and no limit --

**Saltzman:** Vehicle permit is \$150? Right now?

**Dune:** Yes.

**Saltzman:** I guess I am asking in the context of the \$1,000 per vehicle.

**Saltzman:** Registration.

**Dune:** The context for the \$1,000 is that the -- and I think the other -- pete also gave some insight into that. That's the equivalent of two days driving without being properly permitted. If you are caught without current permits it's supposed to cost you \$500 per day or currents. You are heard by the way a lot of reference to people trying in october and getting bad news. Well, october 15 was the day that the supervisors, the program supervisors invoked the supervisor moratorium based on the clear finding there were too many vehicles. Word hit the street and people came in and tried to

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renew on and shortly after october 15 that hadn't expressed any interest in signing up properly for the first 10 1/2 months.

**Katz:** Just talk a little bit. I understand the reasoning but I want to hear a little bit from you. On town cars who have a business to business relationship with a nonprofit organization, whether it's pova, the flight ins, the flight outs, whatever they call it, or the gentleman who has a business to business with cancer patient at ohsu. That were entrepreneurial enough to drop the price, even though they were in violation of the current standard. Talk a little bit about having them basically ignoring those business to business contract with the lower price?

**Dune:** The problem is going to show up not with a company that signs a goodwill contract with an agency that serves a needy population. The problem is going to be -- and we have a good example and we heard both sides of it -- a town car company has a contract with the benson. And their contract says that they will deliver --

**Katz:** Benson is not a nonprofit.

**Dune:** If we could -- if we could -- that would seem like a very neat way to deal with that problem. To create an exception for nonprofits. But not an exception simply on the basis of business to business because otherwise every hotel has three town car companies and they deliver People to the airport for \$28 or \$30 and we are in the same spot.

**Katz:** I wasn't necessarily addressing the business to business, but I felt a little twinge on the non -- for the nonprofits.

**Leonard:** I would ask if there's an interest in that. It's kind of ironic I will be saying this but we have a process by which we make those kinds of changes. And it's not the board. And --

**Francesconi:** Can somebody type this up?

**Katz:** We need to have -- this isn't -- this is an inside joke. We need to have that on the record.

**Leonard:** But I wanted this to be a thoughtful --

**Francesconi:** That's a switch.

**Katz:** That's the way it should be.

**Leonard:** Thoughtful. Because that always hasn't happened in this area before and I want these experts to think about that, focus on it and discuss what is good and bad. And my instinct is the same as yours. If that's possible, I am more than supportive and open to that. But I would like --

**Saltzman:** I guess, I am in support of that idea but I want to go a little further.

**Katz:** Before, let me finish. Thank you on that. The other issue is the pova issue. I need to poke a little with carol as a member of the vdi whether we actually would know -- not right now -- whether we actually could lose conventions coming here. I'm not sure that's the answer, that the answer is yes. But I would like -- if you are going to take it back to the board, I would like for you to take a look at that. And maybe it's just too broad and you can't narrow it down.

**Leonard:** I have a real concerns about that but again, if that's a topic that, you know, brad wants to help engage in and others, i'm more than happy to engage in that discussion with the board and see what we can do.

**Katz:** Justin, how do you feel -- ok. If you are willing -- yeah -- if you are willing to do that and have that come -- one second. Commissioner Saltzman, I have been interrupting him for -- if you are willing to do that and get that input, I am satisfied that you will do a good job because you have done a good job on this.

**Leonard:** Thanks.

**Katz:** For this particular issue. Yes. Commissioner Saltzman.

**Saltzman:** I guess the other thing I am still troubled by I can see why having a hotel having a contractual relationship less than its minimum rate could directly contradict everything we are trying to do. But I guess I certainly see the nonprofit issue but I don't shouldn't any private

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company -- nike, lufthansa -- be able to negotiate a contract directly with a town car service and not have it been governed by this minimum rate? That seems to be a little different.

**Ayres:** Well, it's a matter of regulation versus nonregulation. If you are going to regulate an industry need to apply the regulation consistently. If you allow a loophole for some kind of nonprofit, you are circumventing the regular laws. Anybody could say I am going to pick up a customer and this customer is going to sign a contract as he enters the car and I am going to charge him \$25 to go to the airport as opposed to the rate that's been established by the regulation. So the contract hasn't has been seen as a way of evading regulation often in the past. And it's --

**Saltzman:** The wholesale-retail analogy. If you are going to contract --

**Ayres:** Holding someone to the regulated rate has been upheld by the courts in the past.

**Saltzman:** Seems to me if you are going to buy trips in volume, though -- if you agree to so many trips --

**Ayres:** That stage of how you want to go about regulating. But, you know, a legal matter, the contract has been recognized as a way of evading the regulations.

**Francesconi:** Can I come in on this issue, commissioner Saltzman? Yeah, but it is a policy issue and that's why it needs to go back to the board for the board to consider it. Because these regulationers focused on the downtown area, not the whole city. Anyway. So this is an issue, I understand your point but the regulations don't cover the whole metropolitan area. So I just think we need some more input. But be clear the idea isn't to have hotels contract with shuttles and then - - I mean town cars and lower the price. That's not the purpose. Because that would defeat the purpose. But you have heard about three different types of other types of examples. And that's what the board needs to grapple with. Am I clear?

**Katz:** And it may not -- you may not be able to get there. But this is not -- you folks know a lot more about the intricacies of this business. And you may be able to craft something that is equitable, fair, doesn't penalize one group over another and hopefully can make it work. And if not you will come back and you will tell us you can't. I think you heard from the council that they are very interested in looking, some broader, other narrow.

**Leonard:** I mean to be very honest I am interested in the nonprofit issue, just as you were. I will just own up to being very skeptical that a person wouldn't come to Portland or a convention wouldn't come to Portland if they couldn't get a \$30 limousine. That's just a hard one for me to buy. If there's stats to show that I am open to it. But I think, I have to agree with nancy, we either regulate the industry or we don't. I am glad to look at that. But certainly the nonprofit thing, if there's a way to address that, I am more than interested in doing that.

**Katz:** Ok.

**Ayres:** Procedurally I think the flat rates and the moratorium should be separated from each other in terms of what action it is that you are recommending so that we do have a complete record.

**Katz:** What we are going to do, nancy, we're going to take the order, 13, 14, 15, and then after we finish, there's an amendment on -- I think 13.

**Leonard:** Yes.

**Katz:** And after we finish with that, I think you have heard the instructions with regard to the conversations on nonprofits or the pova issue and some may be interested in going further that you will need to take up at the board.

**Saltzman:** I'm sorry. There's one other issue I needed to raise and that's on the shuttles and the \$8 ceiling. \$8 ceiling that strikes me as a little low. During one of the breaks I got a better understanding how shuttles operate at the airport. And I mean they don't have much time to sit and really gather passengers. More than one passenger. So and they have to pay \$15 to get into the airport. They don't have much time to gather passengers, \$8 seems awfully low. We are going one

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and a half times the cab rate for town cars. Why aren't we doing maybe 50% of the cab rate for shuttles? Just as some sort of consistent --

**Dune:** A couple of additional factors that help explain that. One is that the port has also been concerned about the shuttle situation and is, in fact, retained a -- we understand --very good consultant. We are awaiting that report and have been for a few months now. When it comes we expect great things with that information. Namely, advice on how the airport can make changes to allow shuttles to work better. And we have an expert. --

**Leonard:** I share that same certainly. Is there some possibility for us to be able to talk to the port about the length of time those shuttles are allowed to sit to negotiate some longer time to address the issue commissioner Saltzman raised?

**Dawn Huddleston:** Very briefly, let me give you a little bit of history on that, too. The shuttles have been a problem at the airport. We have as commissioner Francesconi knows we have dealt with this for over four years. Shuttles are supposed to be fix the route or shared route, fixed route meaning they operate on a schedule, or they group together more than one passenger. We have tried numerous different efforts to have the shuttles adhere to those different options. We have timed them. Saying you are here, every half hour, you come in half hour. The tendency was for them to circulate and go around and around. What we ended up doing to get order on our commercial roadway is to have them hold into our holding area and they are called up at the request of a passenger for the passenger, if they want a shuttle ride. We have, in fact, obtained consultant. We have asked that consultant to make a recommendation to us on how our commercial roadway can operate more efficiently and to make a recommendation on our shuttle services because we do know that is the one area that we need to address. We do not know if that will be a request for proposal as we did for the executive cars. We tend to believe that may be one of the routes that we go. That report, based on some of the few board orders, has been delayed with the consultant to give us a recommendation. We are currently reviewing that. So I cannot give you an answer right now, commissioner Leonard, on what route we are going to go. Actually putting them on the commercial roadway for a period of time is something we would have to talk with further. I am not prepared to make a decision that says, yes, we can do that. I would have to take that further with my management level.

**Leonard:** That's part of what you are having the consultant?

**Huddleston:** Absolutely.

**Saltzman:** You look at that from the economic point of view from the drivers or keeping everybody moving?

**Huddleston:** We are looking at both of it. It's not, that's not really an easy answer because again like I said, we did try at one point to have them only come in at their scheduled time. We tried to allow them to stay on the commercial roadway for a period of time. Every effort that we have put through to have this work has been a very difficult issue. That's why we are now going through the consultant route. So it is not that we want to harm their business. We want it to be fair and equitable. There was concern in the board meeting I was not convinced that was a correct price.

**Saltzman:** The \$8.

**Huddleston:** That was based on the fact they have to pay an access fee to access that commercial roadway of \$1.50. That ask affect that particular fee. That is, that is my opinion and that was something that I think that we need to look at again. My concern was again if it's 50% more to be significantly and substantially higher for an check car that if it's the same thing for a shuttle significance substantially low are what does that mean? Is that less than 50%? I am not sure I agree with that.

**Katz:** I don't think it's the \$8 that's the problem. I think the problem is that they are not available for passengers to find them. I used to take the shuttle. There was that, you know, the logo where

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you have got 10 minutes and I knew where you could find them and they were standing there, and you could get on and, quite frankly, the shuttles were fairly full because they were there and passengers then had a choice of \$8 or \$25 at that time, may have been \$22, \$23. And I don't understand why that's such a problem to have them on the roadway for passengers to make that choice.

**Huddleston:** We don't have the capacity, mayor Katz, for them to all sit on the roadway. There are over 26 companies and 90 shuttles and when you have all of those companies fighting for a small area at one time, it is a difficult thing. There has to be some sort of an orderly process. Now, that being said we do have information out there that says these are the different forms of transportation. Is it perfect? No. That's one of the reasons we have asked for the consultant's report.

**Francesconi:** Is there a way for these two groups to work together, the port, and if they need more time to get more passengers or raise the fee?

**Katz:** Or you have too many shuttles.

**Huddleston:** Mayor, that is one of the things we are looking at with the possibility of this report. We have asked them not to just look at how our roadway operates and how we might be able to efficiently do it better but also to look at how we can operate our shuttle service better.

**Katz:** Justin, you want to add --

**Dune:** I really would like to nail down a couple things there's good information on.

**Katz:** Ok.

**Dune:** And I think, I think you caught a big part of it. There are that number of vehicles ostensibly shuttling. The average wait was 4 1/2 to 5 hours for a shuttle that comes forward and takes one passenger downtown. That's not a shuttle. That's not the point. A shuttle would be a vehicle that had, in the opinion of the board, at least three passengers. Three times eight is \$24.

That is sort of the minimum viable cost figure that takes a vehicle of that size back and forth to downtown. That's why it's not \$12 because \$12 is two people. Well, the idea that a shuttle is a shared ride, it's its price fits in between taking the light rail max for \$1.60 but you have to carry your bags through the rain up to the hotel, or you take a shared ride and it leaves. Now, what the port has been very careful to explain to us is they have tried. We went to them and said, look, you don't have to have the vehicles sit on the roadway. Have a clock on the wall. And it says, next shuttle to downtown leaves this minute.

**Katz:** They did.

**Dune:** And all of these methodologies got abused by drivers and companies and we maintain that abuse is direct fallout from the fact we are talking about 90 vehicles and how many companies? 26 companies. That phenomenon instead of 15 vehicles and four companies -- ok.

**Saltzman:** The practical impact will be they are going to net \$7.50 because or \$6.50 because they can't stay for more than one passenger. And they can only charge \$8. That's below minimum wage. Isn't it?

**Dune:** What we expect is that they will advertise. The port has expressed great willingness to make shuttle service work. And they will change their business model so they are taking three or four from downtown to the airport and back.

**Katz:** That business model certainly doesn't work. All right. Let's move on to, we need a motion to amend --

**Leonard:** I would move that we support, affirm the board on board order 13 with the following amendment. Do I need to read the amended?

**Pete Kasting:** No. It's been passed out on paper.

**Katz:** Wait a minute. Does everybody in the audience know the amendment? Does everybody know the amendment? Why don't you read it just to make sure.

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**Leonard:** Permits and plates will not be issued during any declared moratorium period. Permits and plates revoked are denied during any moratorium shall not be granted until ordinary application requirements are met and moratorium has been lifted except under the following conditions. Vehicles permitted in permit year 2002 but not permitted in 2003 will be authorized to obtain permits for permit year 2004 if all of the following are met. A, full payment of permit and business license fees for permit years 2003 and 2004. B, full payment of late registration penalty of \$1,000 per vehicle. C, all these requirements must be met on or before January 15, 2004. Vehicles that have been operating without permits in 2002 or 2003 shall not be issued permits under any condition during the term of the moratorium. Penalty fees collected shall be used for enforcement of the private for hire transportation programs instead of being deposited to the general fund.

**Katz:** Do I hear a second?

**Sten:** Second.

**Katz:** Any objections to that amendment to board order 13? Hearing none so ordered. All right.

**Leonard:** I would move the adoption of board order 13 as amended.

**Katz:** All right. Do I hear a second?

**Francesconi:** Second.

**Kasting:** Are you making final decisions or tentative decisions tonight? One suggestion I had heard from staff was that you would make tentative decisions and come back with revised findings next week. If you don't feel the need for that you don't have to but --

**Leonard:** Why would we do that?

**Kasting:** Just so you would -- well, assuming that you are affirming the board order the only reason would be so the findings could be updated to reflect the testimony presented.

**Leonard:** I don't see -- I would like to proceed.

**Kasting:** You don't see a need, it's not required.

**Saltzman:** What's the question? Did we decide to take the contract, the business to business relationships back to the board?

**Leonard:** The clear direction that I understand we are sending is for the board and the bureau of licenses to begin discussions about that at the board level about what the, just to discuss that with the industry and if that's possible, consistent with our policies or not, the nonprofit, I have a sense probably is possible. But I think that the board needs to discuss that.

**Katz:** And you would then come back --

**Saltzman:** \$45 minimum in the meantime?

**Leonard:** Yes.

**Katz:** You would then come back and modify --

**Leonard:** Yes. Yes.

**Katz:** An order --

**Leonard:** We are developing an ordinance that would bring at the same time dealing with the payment and those kind of things.

**Katz:** So they will come back later. This will stand the way it's written until they come back with another recommendation.

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

**Katz:** So --

**Saltzman:** Approximate time line?

**Leonard:** I don't know where we are at on that other ordinance.

**Saltzman:** Months?

**Leonard:** I don't operate on months. It would be soon. Right after the first of the year is my hope.

**Katz:** Ok. So these are final until --

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**Leonard:** Two months. Jim said two?

**Katz:** These are final until we come back so in two months we may have other recommendations. All right. Roll call on board order 13 as recommended.

**Francesconi:** I'm support this. Moratorium is a mother terrarium as opposed to a ban so you will look at what we are suggest go, you will look at the factors to make sure and the testimony that it is a regional, how this affects the whole region is

Something to look at as well. That was the part that concerned me. But given the glut this is appropriate. Aye.

**Leonard:** Well, this started for me with the killing rig gory and cameras and meeting with the cab drivers out in the street at the companies and learn there was a whole lot more problems than the assaults that were occurring on cab drivers. There were these issues that we are talking about now. I just come down to believe that we have taken the taxi industry for granted. And as a result, have allowed the drivers and the industry to deteriorate to a level that frankly is unacceptable and as a major city that we are, we need to enforce our regulation. We are not creating new

Regulations but enforce them. And we have I will be the first to admit we have not done as good a job as we should have in enforcing these regulations. I hope by today the message has been sent that there's a new day. That's changing. We are not going to allow improper activities to occur in this industry anymore. We are going to enforce the regulations and I think as a result, the town car industry will be healthier, the shuttle industry will be healthier, and the taxicab industry certainly will be healthier. Aye.

**Saltzman:** Well, I am going to support this moratorium. I truly believe the situation of declining air travel, although it's coming back, plus the economy in general, really does

Dictate we need to impose a moratorium but I hope we can lift it because shuttle cars, town cars, even taxi cabs I would like to see a day when we can lift that permit level, too. It is really an entree job, people come come to this country newly arrived and you some of the best minds in Portland got their starts driving cabs. Aye.

**Sten:** Aye.

**Katz:** I just want to say that we actually have a moratorium on taxi cabs. And we do have some very heated discussions when the issue comes to the council about adding couple more cars on the road. So I trust that the bureau will lift the moratorium on town cars and shuttle permits when they think that the economics will warrant it. And meanwhile, I will support this board action 13, aye. Board order 14.

**Leonard:** I move the sustaining of the board's order 14.

**Katz:** Do I hear a second?

**Francesconi:** Second.

**Francesconi:** This is the one that needs to happen to address commissioner leonard's concerns. I have been disturbed that, you know, the regulations we put into effect before were not being followed and so now we are going to have to set a rate and in order to protect the cab industry. This has to be done. Aye.

**Leonard:** Aye.

**Saltzman:** I am going to support this. As I said I have concerns about the business to business contracts but I will trust this board will come back or give it more deliberation and maybe come back with an answer on that. Aye.

**Sten:** I am going to support this. I am not completely convinced on this piece and I have had a couple conversations with commissioner leonard, but I am going to support this for, and the reason I am not convinced I fear this is too high. And there's been a lot of debate about what's a substantial higher increase, 50% is by anybody's definition substantial and I think it may be too much. The reason i'm supporting this is two reasons. One I do trust commissioner leonard's work on this and



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believe it's the right way to go and I also know if it isn't the right way he will revisit it. The second is I think the town car industry has abused the process and as I listen to the testimony from, you know, everybody agrees that bribes are being paid, everybody agrees that people purposely don't license their cars. You have a situation where I kind of lean towards the town car side at this fee is too high and I want to put that on the record. But I have to error one way or the other it be on this side because I don't think the town car companies have played by the rules. Aye.

**Katz:** Yeah, quite frankly this is unfortunate. We debated this one again we didn't want to put a dollar amount because we weren't sure what it was. We used words, premium, substantial, hoping that this would regulate itself. But it hasn't. And it's clear that the anecdotal stories I have been hearing, the emails I have been getting, in fact, are true. And things that we don't want to realize sometimes are in denial are actually happening. And so I think we need, we need, unfortunately, to go and pass a pretty significant rule such as a new minimum rate for all of those reasons. I will support it. Aye. Board order 15.

**Saltzman:** I would like to offer an amendment.

**Katz:** Go ahead.

**Saltzman:** I would like to raise the ceiling for shuttle trips to \$12 from \$8. I think that's really, I mean, the net effect of us doing this today is to say you are going to make less than minimum wage for taking somebody from airport to downtown in a shuttle.

**Leonard:** If I could speak to that, I sympathize with that. I am inclined to vote for that. But trying to honor my new commitment to process, commissioner Saltzman, I am --

**Saltzman:** I didn't make that commitment.

**Leonard:** You have always been good at it. I haven't. I needed to make the commitment. I would request that be -- I share that concern. And I don't -- and my sense is, I was trying to remember places I travel to. I think that's about the shuttle price in other cities. I would like the board to look at that again. But I would like them to use their process to come to what the price is.

**Saltzman:** Can we delay the implementation?

**Sten:** I appreciate the process but I am going to second the amendment. I listened to the argument today. I think the logic that the board used I think is right that it should be about the right amount. But just, it is ultimately comes to this board. I think that the number they used, the \$24 is a little bit too low. Because it's well on the record that the price of a taxi is \$30. So we are basically saying you transport three people which is more work than one person any way you look at it you got to get the bags and in out, go other places, you are six bucks under that price so if you put it at 12 there's no magic to it. You are at 36 in which case you are six bucks over and doing more work. There's no question taking three people to three places is more work than taking one place and you shouldn't get less money for that. So I'm going to second the motion.

**Leonard:** I flirted with being process but I am -- that's a good amendment.

**Katz:** Oh, so short-lived.

**Leonard:** They intrigued me with the arguments.

**Katz:** Roll call.

**Francesconi:** 12 is better than eight. If the board, the board has the power to address this and if you work with the port, and you determine something's better than this, just make that recommendation. You don't -- we don't have to tell you to do it. Aye.

**Leonard:** Aye. **Saltzman:** Aye. **Sten:** Aye.

**Katz:** No. No because that's not the problem. Everything else you dealt with was really a problem. The problem there is the port and how it manages its shuttles. There's no way that you can make a living the way they are managing now and they need to clean up -- I am sorry. I will be polite. They will need to reexamine this and act swiftly in changing the procedure but I have lost

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this argument because my process people don't hold up very well. No. Motion passes. All right. Board order 15.

**Francesconi:** One other issue that was raised and we don't need any motion.

**Leonard:** We have to pass board 15.

**Francesconi:** I'm sorry.

**Leonard:** Unless -- I move board order 15 as amended.

**Katz:** Ok. Roll call. Second. There's a second.

**Saltzman:** Second.

**Katz:** Roll call.

**Francesconi:** Aye. **Leonard:** Aye. **Saltzman:** Aye. **Sten:** Aye.

**Katz:** Mayor votes aye. Thank you everybody.

**Francesconi:** There's one other issue that's been raised and it was raised before by commissioner Saltzman. It's the procedural fairness issue about making sure the shuttle folks and the town car folks are all on the board that are making recommendations. Has that not been done yet? It has been done? Ok. No, it's all right. I don't need -- if it's been done, then, great. If it hasn't been done then we need to do it and you can educate me later.

**Saltzman:** Before we adjourn I want to, since some times we have disagreements on some issues, commissioner Leonard did an incredible job.

**Leonard:** Thank you.

**Katz:** And we appreciate it.

**Leonard:** I want to say Justin and the Bureau of Licenses and Nancy and the Board, thank you very much.

**Katz:** I'm sorry. Your process went was short-lived. That's all right. The work was good. Thank you, everybody. We stand adjourned.

At 5:54 p.m., Council adjourned.