



CITY OF  
**PORTLAND, OREGON**

OFFICIAL  
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 14<sup>TH</sup> DAY OF NOVEMBER, 2012 AT 9:30 A.M.

THOSE PRESENT WERE: Commissioner Saltzman, Presiding; Commissioners Fish, Fritz and Leonard, 4.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Tracy Reeve, Chief Deputy City Attorney; and Steve Peterson, Sergeant at Arms.

On a Y-5 roll call, the Consent Agenda was adopted.

<b>COMMUNICATIONS</b>	<b>Disposition:</b>
<p><b>1268</b> Request of Shedrick Jay Wilkins to address Council regarding after election, Mayor Adams and who is next (Communication)</p>	<b>PLACED ON FILE</b>
<p><b>1269</b> Request of Charlie White to address Council regarding water fluoridation and body burden (Communication)</p>	<b>PLACED ON FILE</b>
<p><b>1270</b> Request of Kellie Barnes to address Council regarding water and fluoride (Communication)</p>	<b>PLACED ON FILE</b>
<p><b>1271</b> Request of Lightning to address Council regarding Western River Conservancy land sale (Communication)</p>	<b>PLACED ON FILE</b>
<p><b>1272</b> Request of Bob Todd to address Council regarding intentional fumigation of people (Communication)</p>	<b>PLACED ON FILE</b>
<p style="text-align: center;"><b>TIMES CERTAIN</b></p> <p><b>*1273 TIME CERTAIN: 9:30 AM</b> – Waive zoning code density and housing type restrictions and authorize the placement of a residential multi-dwelling structure on a property located on SE Madison Street between SE 25<sup>th</sup> Ave and SE 26 Ave (Ordinance introduced by Commissioner Saltzman; waive Code Section 33.110.200) 20 minutes requested</p> <p><b>Motion to remove last sentence in directive F regarding tree mitigation:</b>        Moved by Commissioner Fish and seconded by Commissioner Leonard.        (Y-4)</p> <p>(Y-4)</p>	<p><b>185734</b>          AS AMENDED</p>

<b>CONSENT AGENDA – NO DISCUSSION</b>		
<b>Mayor Sam Adams</b>		
<b>1274</b>	Reappoint Lisa Faust to the Portland Community Media Board of Directors for a term to expire November 30, 2014 (Report)  (Y-4)	<b>CONFIRMED</b>
<b>Bureau of Transportation</b>		
<b>*1275</b>	Amend Intergovernmental Agreement with Multnomah County to provide maintenance services west of the Willamette River (Ordinance; amend Contract No. 51062)  (Y-4)	<b>185724</b>
<b>1276</b>	Terminate Cooperative Improvement Agreement with the Oregon Department of Transportation and Metro for the Peninsula Crossing Trail – North Portland Road Section (Ordinance; amend Contract No. 51267)	<b>PASSED TO SECOND READING NOVEMBER 28, 2012 AT 9:30 AM</b>
<b>1277</b>	Authorize contract and provide for payment for construction of the SW Spring Garden St Sidewalk Infill Project (Ordinance)	<b>PASSED TO SECOND READING NOVEMBER 28, 2012 AT 9:30 AM</b>
<b>1278</b>	Authorize contract and provide for payment for construction of the SW Sunset Blvd Sidewalk Infill Project (Ordinance)	<b>PASSED TO SECOND READING NOVEMBER 28, 2012 AT 9:30 AM</b>
<b>Office of City Attorney</b>		
<b>*1279</b>	Amend Legal Services Agreement with Ball Janik LLP for outside legal services to the Portland Housing Bureau (Ordinance; amend Contract No. 30002037)  (Y-4)	<b>185725</b>
<b>Office of Management and Finance</b>		
<b>*1280</b>	Amend the City Deferred Compensation Plan to allow Roth 457 and auto-enrollment opportunity (Ordinance; amend Code Chapter 5.09)  (Y-4)	<b>185726</b>
<b>*1281</b>	Amend the not-to-exceed value of contract with SAP Public Services, Inc. in the amount of \$425,000 to continue software maintenance services for the enterprise business system through June 2013 (Ordinance; amend Contract No. 36718)  (Y-4)	<b>185727</b>
<b>*1282</b>	Amend contract with P. & C. Construction Group to increase contract amount by an additional \$435,361 to provide additional construction services for the Union Station Facility Improvement Project (Ordinance; amend Contract No. 30001405)  (Y-4)	<b>185728</b>

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<p><b>*1283</b> Grant a temporary, revocable permit to Lucid Energy, Inc. for a renewal energy project in conjunction with the Water Bureau (Ordinance) (Y-4)</p>	<p><b>185729</b></p>
<p><b>*1284</b> Authorize CityFleet to replace forty-seven Police Patrol sedans for \$1,437,113 (Ordinance) (Y-4)</p>	<p><b>185730</b></p>
<p><b>1285</b> Authorize an Intergovernmental Agreement with Multnomah County for the maintenance and repair services of Multnomah County vehicles (Ordinance)</p>	<p><b>PASSED TO SECOND READING NOVEMBER 28, 2012 AT 9:30 AM</b></p>
<p><b>1286</b> Extend term of a franchise granted to MCI Metro Access Transmission Services, Inc. to build and operate telecommunication facilities within City streets (Ordinance; amend Ordinance No. 169230)</p>	<p><b>PASSED TO SECOND READING NOVEMBER 28, 2012 AT 9:30 AM</b></p>
<p><b>1287</b> Extend term of a franchise granted to Electric Lightwave, Inc. to build and operate telecommunication facilities within City streets (Ordinance; amend Ordinance No. 170283)</p>	<p><b>PASSED TO SECOND READING NOVEMBER 28, 2012 AT 9:30 AM</b></p>
<p><b>1288</b> Extend term of a franchise granted to tw telecom of oregon llc to build and operate telecommunication facilities within City streets (Ordinance; amend Ordinance No. 171566)</p>	<p><b>PASSED TO SECOND READING NOVEMBER 28, 2012 AT 9:30 AM</b></p>
<p><b>1289</b> Extend term of a franchise granted to 360networks (USA), inc. to build and operate telecommunication facilities within City streets (Ordinance; amend Ordinance No. 172864)</p>	<p><b>PASSED TO SECOND READING NOVEMBER 28, 2012 AT 9:30 AM</b></p>
<p><b>1290</b> Extend term of a franchise granted to McLeodUSA Telecommunications Services, Inc. to build and operate telecommunication facilities within City streets (Ordinance; amend Ordinance No. 175061)</p>	<p><b>PASSED TO SECOND READING NOVEMBER 28, 2012 AT 9:30 AM</b></p>
<p><b>1291</b> Extend term of a franchise granted to XO Communications Services, Inc. to build and operate telecommunication facilities within City streets (Ordinance; amend Ordinance No. 175062)</p>	<p><b>PASSED TO SECOND READING NOVEMBER 28, 2012 AT 9:30 AM</b></p>
<p><b>1292</b> Extend term of a franchise granted to Metromedia Fiber Network Services, Inc. to build and operate telecommunication facilities within City streets (Ordinance; amend Ordinance No. 175162)</p>	<p><b>PASSED TO SECOND READING NOVEMBER 28, 2012 AT 9:30 AM</b></p>
<p><b>1293</b> Authorize price agreements with CMTS, LLC. and DRW, LLC to provide construction management inspection and project support services for the Bureau of Environmental Services (Procurement Report - RFP No. 114678) (Y-4)</p>	<p><b>ACCEPTED PREPARE CONTRACT</b></p>

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**Commissioner Randy Leonard  
Position No. 4**

**Portland Fire & Rescue**

- \*1294** Accept and appropriate a grant in the amount of \$267,609 from the Oregon Military Department, Office of Emergency Management for Portland Fire & Rescue related to the City's Metropolitan Medical Response System for the Antidote Replacement Project (Ordinance)  
  
(Y-4)

**185731**

- \*1295** Accept and appropriate a Federal Emergency Management Agency grant in the amount of \$800,291 from the Merchants Exchange of Portland, Oregon for the Boathouse for Rescue & Rapid Response Vessels (Ordinance)  
  
(Y-4)

**185732**

**Water Bureau**

- 1296** Authorize a contract with Tetra Tech, Inc. for Laboratory Services for Cryptosporidium and Giardia Water Analysis (Ordinance)

**PASSED TO  
SECOND READING  
NOVEMBER 28, 2012  
AT 9:30 AM**

- 1297** Amend contract with CH2M Hill, Inc. to increase compensation and scope of work for Powell Butte Reservoir 2 Phase 2 Project (Second Reading Agenda 1246; amend Contract No. 30000828)  
  
(Y-4)

**185733**

**Commissioner Nick Fish  
Position No. 2**

**Portland Housing Bureau**

- 1298** Authorize contract with Dignity Village to manage transitional housing campground at Sunderland Yard (Ordinance; Contract No. 32000680)

**PASSED TO  
SECOND READING  
NOVEMBER 28, 2012  
AT 9:30 AM**

**Commissioner Dan Saltzman  
Position No. 3**

**Bureau of Environmental Services**

- 1299** Authorize a request to seek a new contract for Sludge Processing Polymer at the Columbia Blvd Wastewater Treatment Plant (Ordinance)

**PASSED TO  
SECOND READING  
NOVEMBER 28, 2012  
AT 9:30 AM**

- 1300** Amend contract with Brown and Caldwell, Inc. for additional work and compensation for the SW 86th Avenue Pump Station and Appurtenances Project No. E09051 (Ordinance; amend Contract No. 30002215)

**PASSED TO  
SECOND READING  
NOVEMBER 28, 2012  
AT 9:30 AM**

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<p><b>1301</b> Authorize a contract with GHD, Inc. for professional services for the Schmeer Wastewater Pump Station Upgrade Project No. E07448 (Ordinance)</p>	<p><b>PASSED TO SECOND READING NOVEMBER 28, 2012 AT 9:30 AM</b></p>	
<p><b>REGULAR AGENDA</b></p> <p><b>Mayor Sam Adams</b></p> <p><b>1302</b> Authorize the Mayor to execute an Agreement with the United States Department of Justice Civil Rights Division and United States Attorney for the District of Oregon regarding changes to policies and procedures in and oversight of the Portland Police Bureau (Second Reading Agenda 1267)</p> <p><b>Continued to November 14, 2012 at 2:00 PM.</b></p> <p>(Y-5)</p>		
<p style="text-align: center;"><b>Bureau of Transportation</b></p> <p><b>*1303</b> Authorize contracts as required with eight professional, technical and expert services firms for on-call survey and photogrammetric services in support of the Portland Bureau of Transportation (Ordinance)</p> <p>(Y-4)</p>	<p style="text-align: center;"><b>185736</b> AS AMENDED</p> <p style="text-align: center;"><b>185735</b></p>	
<p><b>Commissioner Nick Fish</b> <b>Position No. 2</b></p> <p><b>Portland Parks &amp; Recreation</b></p> <p><b>1304</b> Authorize 2012 Washington Park Transportation and Parking Management Agreement at Washington Park (Ordinance) 15 minutes requested</p>		<p style="text-align: center;"><b>PASSED TO SECOND READING NOVEMBER 28, 2012 AT 9:30 AM</b></p>

At 11:08 a.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,  
OREGON WAS HELD THIS 14<sup>TH</sup> DAY OF NOVEMBER, 2012 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Adams, Presiding; Commissioners Fish, Fritz,  
Leonard and Saltzman, 5.

Commissioner Fish arrived at 2:06 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Roland  
Iparraguirre, Deputy City Attorney; and Harry Jackson, Sergeant at Arms.

	<b>Disposition:</b>
<b>1305</b> <b>TIME CERTAIN: 2:00 PM</b> – Accept Downtown Retail Strategy Update (Report introduced by Mayor Adams) 30 minutes requested  <b>Motion to accept the report:</b> Moved by Mayor Adams and seconded by Commissioner Fish.  (Y-4; Saltzman absent)	<b>ACCEPTED</b>
<b>1306</b> <b>TIME CERTAIN: 2:30 PM</b> – Grant residential solid waste, recycling and composting collection franchises in the City (Ordinance introduced by Mayor Adams) 1 hour requested	<b>PASSED TO SECOND READING DECEMBER 19, 2012 AT 9:30 AM</b>

At 3:17 p.m., Council recessed.

November 15, 2012

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 15<sup>TH</sup> DAY OF NOVEMBER, 2012 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Adams, Presiding; Commissioners Fish, Fritz, Leonard and Saltzman, 5.

Commissioner Leonard arrived at 2:11 p.m.  
Commissioner Saltzman arrived at 2:22 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ian Leitheiser, Deputy City Attorney; and Wayne Dykes, Sergeant at Arms.

The meeting recessed at 2:58 p.m. and reconvened at 3:07 p.m.

	<b>Disposition:</b>
<p><b>*1307 TIME CERTAIN: 2:00 PM</b> – Amend Code to promote reusable checkout bags and reduce use of single-use plastic checkout bags (Ordinance introduced by Mayor Adams; replace Code Chapter 17.103) 1 hour requested</p> <p><b>Motion to amend Exhibit A(G) Definition “Single-use plastic checkout bag” uses not included to add “a plastic cover designed and used for protecting garments on a hanger”:</b> Moved by Mayor Adams and seconded by Commissioner Fritz. (Y-3; Saltzman and Leonard absent)</p> <p>(Y-5)</p>	<p><b>185737</b> AS AMENDED</p>
<p><b>1308 TIME CERTAIN: 3:00 PM</b> – Adjust the Utility License Law to revise tax rate and tax base for telecommunications utilities operating within the City (Ordinance introduced by Mayor Adams; amend Code Chapter 7.14) 30 minutes requested</p>	<p><b>PASSED TO SECOND READING NOVEMBER 28, 2012 AT 9:30 AM</b></p>

At 4:03 p.m., Council adjourned.

**LAVONNE GRIFFIN-VALADE**  
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 File.

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## Closed Caption File of Portland City Council Meeting

This file was produced through the closed captioning process for the televised City Council broadcast and should not be considered a verbatim transcript.

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

**NOVEMBER 14, 2012 9:30 AM**

**Saltzman:** Good morning everybody. Before we begin our meeting we have a proclamation in honor of national adoption month. I would like to invite up michael balter, who is the president and ceo of boys and girls aid, and lorene owens, adoption specialist with the Oregon department of human services and child welfare. Maybe before we ask you to say a few words i'll read the proclamation. Whereas stable families produce positive developmental out comes for children and whereas every child deserve as permanent home with caring and supportive families, and whereas in Oregon hundreds of children are waiting to find their permanent families, and whereas these children wait an average of two to three years to be adopted, and sadly some are never adopted and remain in foster care. And whereas last year in Multnomah county, 114 children found their permanent families, and whereas Oregon has 20 licensed adoption agencies, and the department of human services, specializing in a variety of adoptions that are ready to support new families, and whereas the city of Portland recognizes and appreciates the contributions from adoptive families and encourages more individuals and families to open their hearts and their homes, now therefore i, sam Adams, mayor of the city of Portland, the city of roses, do hereby proclaim the month of november to be a national adoption month in Portland and call upon Portlanders to raise awareness about the need for adoptive families as well as the needs of Portland's waiting children. So michael, why don't we start with you then go to noreen.

**Michael Balter:** I just want to say thank you for shining a bright light on the needs of these young people. After 127 years of serving children in Portland and in Oregon, we have adopted a 20-year goal of finding a permanent lifelong connection for every child we touch. We have identified that as the single most important predictor of future well being and success for children dependent on public systems. This is obviously a key strategy in that activity. I also want to thank you for highlighting the courage and generosity of families who step ford ward to help these kids and I thank the children's levy for giving us a grant through wendy's wonderful kids to find particularly those children who have waited the longest. So all we can say is thanks for highlighting the needs of these kids and their families that serve them.

**Saltzman:** Noreen?

**Noreen Owens:** Thank you, commissioner Saltzman and the rest of the council. As mike and I were talking, adoption is the preferred plan if children are not able to return to their biological parents. If we really want to break cycles we really need to have those lifelong connections that michael is talking about. For someone to walk them down the aisle when they marry, someone to have thanksgiving dinner with. If we don't have those connections, then we are going to -- they are going to just repeat the cycles of their families. In Multnomah county I think dhs finalized about 270 adoptions last year. That's just in our county. In the state there were much more. But I just really thank you for highlighting this awareness and encouraging people to step forward. Siblings are also a huge lifelong connection, and i'm happy to say that we had 96% of our adoptions was siblings placed together in adoptive homes. So thank you very much.

**Saltzman:** Great. Well, thank you boys and girls aid and department of human services for the work that you do. I just want to say even if people who are watching this are not in a position to be



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an adoptive family, you can still support these children by volunteering. You can make a welcome box for kids who have been removed and are waiting in dhs offices. While a case worker finds a foster placement. Often they come without any belongings and these boxes are filled with personal items. You can also become a mentor through organizations such as boys and girls club and big brothers and big sisters. If you're interested in being an adopted parent, please go to my facebook page and we'll have all that information there. Thank you. I just want to give you the proclamation.

**Balter:** Thank you.

**Owens:** Thank you very much.

**Saltzman:** Okay, our city council meeting will come to order. Karla, please call the roll. [roll call taken]

**Saltzman:** We'll begin with communications. Item 1268.

**Item 1268.**

**Saltzman:** Mr. Wilkins? I don't see him. If he shows up we'll call him up here. Why don't we move to 1269.

**Item 1269.**

**Saltzman:** Good morning.

**\*\*\*\*\*:** Good morning.

**Saltzman:** Welcome. All you need to do is give us your name and you have three minutes. The timer is in front of you.

**Charlie White:** I'm charlie white. Dear council members, i'm here to address your mandated water fluoridation and its toxic effect as an additional body burden. Safe and effective? People objecting to popularized policy take great risks. In the case of doctors, dentists, scientists or academicians who into go against the policy of their adopted organization they show remarkable bravery, risk losing friends and are often shunned by their colleagues. Some even lose their lives. Safe and effective? As spoken recently by a person concerned about water fluoridation I don't want to do this. The last campaign was not pleasant. We got very nasty phone calls at home and people throughout out all kinds of info. Those of us who go against the norm of forced policies dare to inquire or challenge policies are called crackpots, fear mongers, coocs and worse. People who unquestioningly trust are not they may lack trust in their bodies and often are unwilling to take personal responsibility for their own health. The suppression of historical wisdom and truth is the real epidemic in our culture. Media, popular opinion and generations, 60 years of being told by our family dentist and others over and over so we believe it safe and effective. One of the ten greatest health achievements of the 10th century. Safe and effective. Safe and effective. It's only a barely recognizable cosmetic effect. Water fluoridation is a rolling money machine. The city council has proven it by the manner in which you have chosen to roll out this water fluoridation campaign and all its inequity and imbalance. You have elected to follow effective marketing of organizations unworthy of the credit you give them such as the cdc and ada. Your website does not refer to anything but cdc, informed consent for people to find out other information I would like to know if that could be corrected. Fluoride action alert is a verifiable, trustworthy and scientific based website for information. So I request that you include that in your website until the public knows no other mantra but safe and effective. It's very disturbing. I have a list of human exposures to environmental toxins. World fluoridation map from 2009 and 2011, I have fluoride never approved by the fda as safe or effective for ingestion. I have a series of information about effects of thyroid which are also being ill affected by the fukushima radiation that were getting. Children are having problems with that. There are several scientific articles here that I have for you. And that's it.

**Saltzman:** Okay. Thank you.

**White:** I also just wanted to call your attention, I know you may or may not have seen these books. There's a lot of information that's really important to look at. Thank you very much.

**Saltzman:** Thank you. Item 1270.

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**Item 1270.**

**Moore:** She contacted us and is having to reschedule.

**Saltzman:** Ok, item 1271.

**Item 1271.**

**Saltzman:** Welcome.

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

**Saltzman:** Just give us your name and you have three minutes. The timer is in front of you.

**Lightning:** Great. I'm lightning. Basically, I would like to voice my concern about the sale of approximately 205 acres also known as bull run, little sandy river property to the Portland water bureau for approximately the price of \$1,600,000 from western river conservancy. Let me make myself clear. Western river conservancy does not currently own the property. Portland general electric is the current owner and have been for many years. With an approximate scheduled closing date of november 15, 2012 or soon thereafter, pge will transfer the property to western river conservancy for zero dollars. On the same day western river conservancy will then transfer the property to the Portland water bureau for approximately \$1,600,000. Western river conservancy represents itself to be a company which protects and preserves properties. Although on this transaction appears to be more ever a land development acquisition and disposition company. The one day timing of the transfer of the property from western river conservancy to the Portland water bureau raises serious concerns. The value of the land was based upon the timber value. Does that not mean the property will be clear cut in the future or have there been any such restrictions set forth in the agreement? I'm asking for two changes to be made on this transaction. One, a restriction added to the agreement by western river conservancy to Portland water bureau ensuring no clear cutting of timber will take place during their ownership. Two, since the sale price of \$1,600,000 was based upon the timber value and due to restriction of clear cutting that should be put in place to protect and preserve the property, i'm asking for the price to be reduced by 50% to the new adjustment price of \$750,000 which in turn would be a savings of \$850,000 to the Portland water bureau. Land values have plummeted in recent years and due to the fact western river conservancy was given the property at zero dollars from Portland general electric, a \$750,000 sale price in one day is still by anyone's standards an outstanding profit in today's current market climate. As stated in the Portland business journal, new Portland mayor charlie hales will face a \$20 million shortfall. When he takes office january 1. With that in mind I hope western river conservancy will be as generous to the Portland water bureau as Portland general electric was to them. Thank you.

**Saltzman:** Thank you. Karla could you read communication number 1272.

**Item 1272.**

**Saltzman:** I don't see mr. Todd. Consent agenda. Does anyone have an item they wish to remove from the consent agenda? Okay. Seeing no one, could you please call the roll? [chorus of ayes] consent agenda is approved and we move to item time certain 1273.

**Item 1273.**

**Saltzman:** I want to welcome my staff person matt grumm to the table who has worked very hard to save the Montgomery house on se hawthorne. And I'm just thrilled to bring this to council as it truly shows how nimble and responsive the city can be when an opportunity presents itself. First I have one quick amendment to make. You have the amended ordinance in front of you. With the last sentence in f struck out.

**Fish:** So move.

**Saltzman:** That's the amendment. Please call the roll. [chorus of ayes]

**Saltzman:** Aye. This has been an amazing effort by numerous staff, businesses, neighbors and most importantly jeff mccaffrey and beth bonais. To save this historic house on se hawthorne. I also want to throw Matt Grumm in my office for his historic efforts too. This house we refer to as the

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montgomery house. Jeff and beth own the receiving site for the montgomery house. Without their effort and private resources, we wouldn't be here today. They had also long ago been scheduled to be out of town today so they unfortunately will not be able to be with us but we have -- they have relayed their gratitude and appreciation for everyone's efforts. This is complicated but you and your staff have been briefed. In short, it allows this magnificent structure, the montgomery house, to be moved from its present location at 2625 southeast hawthorne and located a block away onto southeast madison. Due to the amount of different bureaus and staff involved in this ordinance, I have asked my policy manager matt grumm to be available to answer any questions and to respond to any items that arise during public testimony. Matt, do you want to start?

**Matt Grumm:** Thank you commissioner Saltzman. Yes. I would like to thank a bunch of people. I don't want to go through the whole list, but really two staff members really rise to the top. Matt wickstrom and marisol caron. Matt is the district liaison planner for the area and is basically the face of this entire effort and has done amazing work to bring everything together and to keep the momentum going. Marisol is the author of the ordinance. She really understood the details. It's a great combination between two staffers working together to make this happen. I'm here to answer any questions after testimony. I want to thank all of you and your chiefs of staff really were great too. We put this in front of them and with their thumbs up knowing you guys supported them really got the ball rolling. So thanks to everyone for what you've done.

**Saltzman:** Thanks matt. Karla lets go into seeing if anyone has signed up.

**Saltzman:** Do we have anybody --

**Moore:** We have three people. All three come up.

**Saltzman:** Welcome. Just give us your names. You each have three minutes. Why don't we start with you, ma'am.

**Joanne Holly:** Good morning. I'm joanne holly. I'm here to represent jeff mccaffrey and beth since they couldn't be here today they asked us to -- my husband is with me, asked us to come and witness this occasion and to share a few words on their behalf as follows. Jeff says we're grateful to all the people who have worked hard to come together to make this happen, most especially george kyler at river mark credit union to allow the big house to pass across their property and the inconvenience to their customers it presents. We'll do our best to remake this grand old house into the jewel it's always been just a block away. If I may add a word, amen. I know they will do an amazing job. Thank you.

**Saltzman:** Thank you. Sir?

**Jeff Deiss:** I'm jeff, a neighbor of the montgomery house. I live two blocks away on southeast clay street, two blocks away. I want to thank you and the city staff for an amazingly quick and nimble response to a complicated situation. It's truly a blessing that we'll be able with your support to save this property which is truly historic. Mary phelps montgomery was the owner of this house, built for her in 1907 when she was newly widowed from her husband, james bose Montgomery a developer of one of the early railroads here. The couple moved here in 1870, so this is truly a pioneer house and its an amazing story. So obviously we're seeing a lot of infill development. There was a big hearing yesterday in front of the bureau of planning and sustainability. 150 people there concerned about all the incoming infill. One unspoken issue there was the impact on the historic properties that line our high density corridors and transit corridors. This kind of nimble, quick response is truly exceptional. I thank you so much. It's a happy ending, not an ending but a beginning of a new stage of an historic house with your support. Thank you.

**Saltzman:** Thank you. Susan.

**Susan Lindsay:** Susan lindsay. I'm the chair of the community association. Wow: Thank you. Amazing response to a really potentially devastating situation. As you know, the development pressure has heated up again with the improvement of the economy, and we do have some fine historic residences that line these main streets that are very vulnerable because of the underlying

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comp plan, lack of protection for them, lack of historical protection. This was a situation that was just absolutely heart-wrenching. We had dozens of people turn up at the land use meeting that were really crushed not only with the speed with which they had to vacate these beautiful structures, one of the houses has not been able to be saved, but the fear of just the sense of this powerlessness in these situations when something so wonderful is facing the ax so quickly and everything seems to support it being torn down and not being saved. Jeff and Beth being Buckman residents for decades, just happening to be able to get this lot that River Market held on to for years because they wanted to put in a parking lot. They couldn't and gave it up. George at River Market allowing the house to come through and tear out his newly built ATM kiosk, it's all a good thing. I want to thank you, Commissioner Saltzman, extensively, Matt, your chief of staff, also Matt Wickstrom and all of you for recognizing how important this is, moving quickly. I know that we came into a couple of glitches along the way and you guys responded beautifully. Even to the very last glitch that took about a half hour of time at the recent PCA meeting around the tree fee. I was so grateful that I was, like, just pay the fee. I think this is really great and there's a lot of thanks to go around. Really want to take this time to say thank you. In other words we support the measure. [laughter]

**Saltzman:** Thank you all. Anybody else signed up?

**Moore:** That was all who signed up.

**Saltzman:** Anyone else who wishes to testify in this matter? Okay. Welcome.

**Linda Nettekoven:** Thank you. I'm Linda Nettekoven. I was just here for moral support to make sure that you could see there was yet another thankful face in the audience. I want to put forward the notion can we think about this in a proactive fashion given what Susan just said about this is going to be happening again and again, and are there ways we can craft an emergency response team or we can look at our other things in our code that are likely to catch in the future that we can be modifying in anticipation of these kinds of things. So I guess I'm just putting out a request that we do a little debrief after this happened and see if there are things we can learn for future situations. I have been to three of these already. So they are painful and hard. The more we could again help the city be nimble the better it would be for everybody. Thank you again for all the efforts here.

**Saltzman:** Thank you. This is an emergency ordinance. Please call the roll.

**Leonard:** I have been inside the house over the past number of years, sometimes once a week depending how bad the pain in my neck is after a week being here. So I'm intimately familiar with the house and the architecture. It's a beautiful old house. I was very pleased to be able to do what I could at the water bureau to help and facilitate this action that we take today. I'm very pleased to vote aye.

**Fritz:** Thanks to the neighborhood, the developer, the owners of the site and everybody who made this work. It did need to come together very quickly. Thanks to Rebecca Esau and Marisol Caron, and Matt Wickstrom for your great work on this. And Commissioner Saltzman, thank you for making sure you coordinated with all of us. The four of us here today have chiefs of staff who are very familiar with planning codes. Made sure that the different pieces got done. I very much appreciate that. The neighborhood support, without that this would have been very difficult to do. Again, thank you to the Buckman community association for your leadership. It's nice to have one that came out right. Aye.

**Fish:** Congratulations to all. Matt, another great job I think you got a promotion today, by the way. We'll talk about the new compensation rate. Dan, good job. Thanks for leading us on this one. Aye.

**Saltzman:** I want to thank the neighbors, again Jeff McCaffrey, Beth Bonais, River Market Credit Union also for really making this happen. Most of all it took a lot of internal workings here in the city. Rebecca Esau often helps us map grand strategies. Then most of all Matt Grumm in my office for taking this item to heart, saving the Montgomery house, a great old house. Definitely worthy of

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saving. Taking a personal interest in this issue to make it happen. Thanks, matt. Thank you all. Pleased to vote aye. The ordinance is approved and the montgomery house is saved. We'll move now to the regular agenda.

**Fish:** Mr. President, I would like to make a motion if I could. Since the mayor is not here and we do have people ready to testify on 1304, I move that we amend the agenda and bring it up first.

**Saltzman:** Okay, without objection we will do that. Item 1304.

**Item 1304.**

**Saltzman:** Actually before we move ahead, 1302 says will be heard at 2:00 p.m. Today. Is that correct karla? Okay. Want to read it?

**Item 1302.**

**Saltzman:** That will be at 2:00 p.m. Today. You already read 1304.

**Moore:** I did.

**Saltzman:** Commissioner Fish.

**Item 1304.**

**Fish:** Would mike abaté, director of portland parks and rec and and todd Lofgren please come forward? President Saltzman and colleagues, today we're asking council to approve a transportation and parking management agreement that has been 18 months in the making. As we all know, Washington park, which is one of our great regional attractions, attracts an estimated 3 million visitors from around the world each year. People come to enjoy the park and its major attractions which include the hoyt arboretum, children's museum, world forestry center, japanese garden, the rose test garden and the Oregon zoo. While we encourage people to walk, to bike, to take the bus or the max to the park, most still come by car. For about 25 years the city has been talking about how to address the problems of traffic congestion, crumbling roads, insufficient shuttle service and parking. Today thanks to the hard work of the Washington park partners and neighbors, we now have an agreement to form a new nonprofit transportation management association. Under the proposed agreement Portland parks and rec will join with our partners to develop and improve transportation options throughout the park and we will have a new revenue source to support improvements to the park's transportation infrastructure and to fund long overdue the master plan for Washington park. We understand that some neighbors are concerned about the prospect of changes in the park. But the current transportation situation, the status quo, is not sustainable. With this new transportation plan and tma, we have at long last a way to pain contain and grow one of the city's great attractions. Finally i'm pleased to report that last week our regional partners at metro voted unanimously to support this plan. Tell us more about the proposal before you, we have invited Portland parks and rec director mike abbaté, and todd lofgren, parks property manager, to come forward. They both have spent many, many hours hammering out the details of the agreement before us. When they are finished with their presentation we have a few invited guests. Mike?

**Mike Abbaté, Director, Portland Parks & Recreation:** Thank you, commissioner Fish, my pleasure to be here today. As commissioner Fish said and we all know Washington park is one of our oldest, best loved, most widely used park in the city of Portland. Established in the 1880s, originally called city park it was home to the first Portland zoo and now as commissioner Fish outlined many subsequent attractions and venues within the park. To get to the park visitors can walk, they can bike, ride the bus and max, but most still drive their cars. I think it's important to recognize that all of us as residents of Portland for at least 20 years have identified congestion and transportation access problems at Washington park as a severe issue. Including odot and others. Portland parks and recreation is the property owner for all of the land with the exception of the actual footprint of the zoo, our property does include the main parking lot. It wasn't until probably about two years ago that there were some signs that the venues themselves were willing to have communication coordination consultation with one another. That marked I think a significant

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turning point. The question was posed to Portland parks and recreation, it's your park do you want to have a role in managing parking? We did say yes. That's because as I mentioned, the issues of poor access, insufficient parking and congestion during peak times, pedestrian safety, deteriorating infrastructure, we recognize were really our responsibility as the property owner and as the bureau. It's important to recognize again that even the roads in the park are park roads. They are not rights of way. So they are considered a piece of park infrastructure like play equipment at Mount Scott or - they are our responsibility to maintain but we don't have dedicated funds other than major maintenance to handle that infrastructure. So as a result, Washington park suffers from many issues including pressure on adjacent neighborhood streets, the circulation concerns and pedestrian safety issues. In fact, you'll note from the slide that here's some of the examples of deteriorating infrastructure. Recognize also that collection gate and booth that there's a couple of them up in the parking lot that was built over a decade ago, Washington park, with the understanding that there was going to be paid parking, but those have never been used. However, currently nonmembers of the Oregon zoo, world forestry children, children's museum, pay \$4 to park for any of those venues. It's kind of a pay at the gate honor system. It's important to note that venues themselves actually created that rate, and in May of this year the earlier rate was I think \$2, moved it up to \$4. This charge of \$4 to park is applied to about 1,000 of the 1400 parking spaces that are throughout the park. So for the past two years Portland parks and rec, metro, Washington park alliance venues have conducted several studies and planning efforts to plan for the future. First and foremost we at Portland parks and recreation and our partner venues are committed to making it a world class park. It is definitely a crown in our -- a jewel in our crown. Some of the efforts that we have undergone is a strategic planning effort, the south entry vision, a long-term vision for the south lot. I'll talk about that in a second. Transportation planning and analysis, a new draft transportation demand management plan, and the transportation parking management agreement that you're considering today. So a second about the new south entry vision. This is an effort jointly funded by metro and Portland parks and recreation to say we have a situation today that has significant issues. What is the long term vision for Washington park and this portion of Washington park? So we have hired consultants, looked at geo technical investigations, looked at parking demand and have created a vision that we believe is attainable within the next 20 years. It would enhance the visitor entry experience. As you know, if you get off highway 26 at the Washington park exit, you enter the first thing you see is a big sea of parking. Did you know that you actually crossed the threshold into Washington park? Probably not. One of the ideas and key points we have heard from neighbors is they would like a recognition gateway that you're entering Washington park and these are venues. That will happen as part of this long term vision. So will improving aesthetics, pedestrians connections, a major storm water feature that serves as the iconic landscape. It creates new alignments, new features including an open space where there is currently paved area. Every venue, the zoo, world forestry center and children's museum gets a dedicated open space for staging large groups of kids for lunch breaks or for having events. What you'll see on the far right of the slide is a new parking structure. That is the long term vision for establishing or providing adequate parking. You'll note that it's right next to the Max station and we believe that this long term vision is really gives us a direction to head toward and has a great amount of public support. This little vignette of the south parking lot is something that we intend to incorporate into a long-term master plan for Washington park. This has not been done for several decades and actually again, another neighborhood suggestion is that they really would like to see a comprehensive master plan for Washington park. In 2011 they embarked on this study of transportation issues jointly funded by metro and parks conducted by Rick Williams and Kittleson Engineering. They did this draft transportation planning. One of the recommendations was a recommendation that we form a transportation management association to help utilize paid parking in a way that's coordinated throughout the park. In conjunction with the zoo's conditional use master plan, the findings were

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discussed among venues and the two primary neighborhood associations are sylvan heights and arlington heights. For the first time in the park's history the visitor experience will begin as a -- before the visitor arrives at the park. Because of the transportation management association will have amongst its responsibilities the marketing and communication related to access and transportation and parking throughout the park. There will be a one-stop shop. If you're going to Washington park and you want to go to the japanese garden or to the children's museum you'll have a very clear link on how and where to park. In addition the tma will create this new nonprofit entity to implement this traffic management plan. It will provide coherent, coordinated, professional management of the work and will work with the neighborhood associations and venues to monitor, mitigate and reduce negative impacts of paid parking on neighborhoods. For example one issue that tma will address is the use of paid parking facilities as a park and ride for max transit users. In some times of the year it could be a problem when there's a shortage of parking but many times that shouldn't be an issue. The tma will help script paid parking, the seasonality of it, rates and so forth. We believe the best solution will be identified in partnership with the park's neighbors and this agreement will set in place for the first time an official forum to have these conversations. To date it's just even getting the venues together has been a challenge. Last 24 months a great deal of good will has been developed between the venues and I believe with the neighborhood associations as well. In addition to Portland parks and recreation, the members of the transportation management association will consist of a member from arlington heights neighborhood association, sylvan highlands neighborhood association, the zoo, children's museum, japanese garden, trimet, hoyt arboretum. I think that's the entire list. At this point I would like to turn it over to todd lofgren the property and development manager for parks, to describe the agreement that we're requesting you to approve.

**Todd Lofgren:** Good morning. There we go. Good morning. Thanks for having me this morning. Just want to walk you through what the role of the agreement is in the city council ordinance in front of you this morning. It's replacing long term lease that we had for 35 years on the south end of Washington park that included omsi, the children's museum, world forestry center and Oregon zoo. The proposed agreement is a 25-year agreement will provide a framework for how to collect the revenues and those revenues being dedicated to transportation infrastructure and transportation programs within Washington park. It's important component both for neighborhoods as well as other venues to have the city's commitment to reinvest in Washington park all the revenues collected from paid parking. When we look at the entire park -- sorry, this has a little feedback. We're looking at all 1400 parking spaces throughout the park, so as mike mentioned, the main lot on the southern end of the park is about 1,000 spaces and there's about 400 spaces throughout the rest of the park. This would not include trailheads where there are smaller collections of four and six parking spaces. Those would remain free and open without any paid parking enforcement. It would be where there's collection of 10, 15 or more parking spaces where we would have paid parking within Washington park. The parking revenues are going to be the key element of being able to fund the work of and the plan that's been laid out by mike. I just want to walk you through some of the items of how we will spend those revenues. The first is taking care of what we have. We have as mentioned park roads and parking lot infrastructure within Washington park that we currently don't have funding source for. This for the first time will have dedicated funding source for those issues. It will fund the setup of the transportation management association where professional staff will be dedicated to transportation programs within Washington park, again a new endeavor that we currently don't have. We recognize that that's not something we want to do within Portland parks and recreation but set up an association amongst the neighborhoods and venues to develop those programs and implement those programs. A key element to this is also for the first time having a park-wide shuttle connecting the max stops and the field to the max stop at the zoo and having stops throughout the park. Again, for the first time connecting the public infrastructure

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that we have, the transportation infrastructure for the benefit of the park and hopefully for the benefit of the neighboring citizens as well.

**Fritz:** Why would you need a shuttle from the max station to the max station?

**Lofgren:** Right. So right now we have many visitors and I think we'll have testimony later to describe this, visitors coming to Washington park, getting off at the zoo stop, asking, where is the rose garden? How do I get to the Japanese garden? And a mile and a half walk down the road --

**Fritz:** But why from the max stop to the max stop.

**Lofgren:** Oh, to have that connection between the zoo max stop and the goose hollow max stop. That's specifically a request both from Arlington and Goose Hollow neighborhood associations of having that connection to connect the max stops and the max stops through the park.

**Abbaté:** If I might, commissioner, it wouldn't go nonstop from, say, Jeld-Wen field to the max stop. It would go up to the park to pick up people possibly there. One thing we have heard about is visitors to Portland trying to get to the rose garden so they could get off at Jeld-Wen field or neighbors could board the shuttle at that point and it would go right up to the rose garden then do a loop.

**Lofgren:** Japanese garden. Currently there's parking lot infrastructure requires city code upgrades, storm water improvements. That would be funded through the paid parking revenues. As Mike mentioned, last master plan that was completed for Washington park was 1981. So this parking revenues would fund that as well. Road maintenance, new capital projects. The vision identified some of the capital projects, but there's many other things that could be done in the park, the future planning efforts will determine through the Washington park master plan. So it's estimated that the paid parking program for park-wide is about \$2 million a year. There will be a requirement to install the pay stations and that's one of the authorities that we're asking for you today. I just wanted to walk through the four authorizations in the ordinance. First is authorization to execute the transportation management association agreement that's before you. Also to authorize the director of parks and recreations to negotiate and enter into agreements for transportation related services. I'll give you an example. Right now the metro-zoo provides services if it's sweeping or taking care of the south entry lots and there may be some efficiencies to have the zoo continue to do that work where parks takes over certain responsibilities throughout the rest of the park. Also the third authorization is for the PPR director to establish a Washington park parking fund so all revenues collected from paid parking will go into a specific fund just for transportation related infrastructure and programs in Washington park. Then authorization to make the expenditures to install the pay stations for the park. So next I would like to describe the public engagement efforts we have gone through.

**Fritz:** May I ask a question? Regarding the transportation management association when we approved having paid parking in that area on the honor system even though there was a big discussion about members of the zoo and children's museum and there being some way for them to get free parking or included in their membership. If we move the meters would that still be possible?

**Lofgren:** Right. That's one of the big benefits of having a transportation management association that's going to be dedicated to this. Each of the individual venues are going to have the opportunity to buy incentives, hopefully through Trimet to get more people out of single occupancy vehicles. Where they want to buy a benefit for parking or parking passes, that would be something that could be worked out between the venue and the transportation management association. For instance if you wanted to buy a membership to one of the venues it could be something that could be developed between the venue and the transportation management association to have that membership benefit include parking passes.



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**Fritz:** I'm not seeing any members as part of the transportation management board. I see the venues themselves and the neighborhood association but who is representing those who come from outside of the area to visit the amenities there?

**Lofgren:** Right. We don't currently have anyone else except the venues. They are representing the interests of their visitors.

**Abbaté:** It's a coordination between let's just say the property owners, metro and parks, the venues that are located physically there, then the immediately adjacent neighborhoods.

**Fritz:** I know this is the first reading. We have two weeks before the actual vote. I would like to get a discussion in between times.

**Abbaté:** Sure.

**Fish:** One thing we should note is all of our partners there have had concerns about the impact on a paid parking system and on attendance and their members. So they have all signed on to this plan, and the forum to address those kinds of questions will be the tma. None of our partner organization have asked us to prejudge that in advance of the tma. They are in effect -- they depend on paid members who fund their organization, so they have a significant constitutional interest in the -- institutional interest in the outcome of that debate.

**Abbaté:** They have been working over the past years to remove that current benefit from their membership packages anticipating this conversation so they have been managing that within their own collective members.

**Fritz:** I would like consideration of adding some at large members so folks who use that lot to have some say whether they are encouraged to schlep their children on buss to get there or whether there are other options.

**Lofgren:** I would like to walk you through the public engagement efforts over the past two years. The process that we went through was in partnership with metro. The topics that we discussed included land use decisions that have been -- have concluded and some ongoing as well as the transportation challenges that we face jointly both in the park and outside the park, and how we can best work together. There's different tools that we felt through this process they would be able to do that. In september of 2011, as mike said, parks had a threshold decision, are we going to play a lead role and facilitator and convener to address these challenges or are we going to sign another lease like we did in the past. We made the decision that we wanted to be an active participant in solving the challenges at Washington park. In march 2012, again, that was another threshold decision for us about whether paid parking was a tool that should be used for helping fund the solutions for the challenges in Washington park and again, we decided at that point that indeed it was going to have to be considered because there are not other funding sources and the needs are so great at Washington park. By june 2012, again, that was another point of where we started coalescing around it made sense to have a park, paid parking system for the 1400 spaces we have outlined as part of the system that splitting that up from a management point of view just wasn't appropriate response to the challenges we have in Washington park. So you can see we have tried to catalog the different group events all going up to individual meetings we have had with different representatives up until last night at 9:00 with the sylvan highlands neighborhood association. Mike is going to take over here and talk about where we are with the agreement.

**Abbaté:** Approval of the agreement by the metro council and all of the Washington park alliance members is a huge milestone. Demonstrates tremendous amount of good faith on all parties concerned. Two years in the making, and the tma formation process will begin with new establishment of the tma board members. The board will review planning work completed to date, then begin implementation. City council approval, the last steps in the approval process as commissioner Fish mentioned, metro council approached this last week, so we recommend your approval of the agreement. We are joined by several Washington park alliance members that would like to weigh in so I would like to introduce them two at a time. Scott robinson, the deputy chief

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operating officer for metro, and kim smith, the director of Oregon zoo, and she also happens to be the chair of the Washington park alliance.

**Scott Robinson:** I'm scott robinson. I'm the deputy chief operating officer for metro. I'm here today very pleased to be on behalf of metro council testifying in behalf of this agreement. And in support of it. First of all I wanted to before going deeper into my comments thank commissioner Fish for his leadership and support of this particular agreement. This agreement marks a new era of collaboration an partnership amongst the Washington park attractions and parks and recreation. It's a fundamental change that really reflects a systemic view of our need to manage the park going forward. I also want to thank Portland parks and recreation staff members, parks director mike abbaté, todd lofgren, but also terry davis and brian aptikar were very involved in this effort in developing a strategic and comprehensive approach to parking management. Laying the groundwork for implementation of a new vision for managing transportation options within the park. As you know, metro does own and manage the Oregon zoo and had been responsible for marking management at the south end of the park for 35 years. This agreement represents a fundamental shift to managing the park as a single resource for visitors to enjoy. Portland parks will take a lead role in managing that resource along with other members of the transportation management association that is reflected in this agreement. On november 8, 2012, last week, metro council did pass resolution 124384, which approved the Washington park transportation and management agreement. At that meeting, council members expressed their support for the priorities identified in the agreement, especially creation of the transportation management association, and the attends and the benefits that will emanate from it. This agreement afterwards the opportunity to create enhanced options for visitors to be able to access the park and move within the park and to make it worthy of the status of the city's park crown jewel of the system. Metro is proud to work and to have completed this particular discussion and dialogue around the transportation management parking management plan. As a group we have taken very bold ideas and accepted the challenge of finding a new course for addressing visitor access for Washington park and the attractions. This is a unique environment. Five attractions operating within a large urban park all up on a hill with one light-rail station. Accessing it directly. We are choosing to maximize our potential and to do so in a manner that is fair and equity to all visitors and to do so in partnership with the surrounding neighborhoods. This agreement represents a blending of many interests. Like any good agreement, we don't all get what we want but what we came to was a place that provides benefits for everyone. Metro recognizes the long term viability of the attraction in the park is best met through a management approach that addresses all visitors for one purpose or another. Additionally this agreement is fully consistent with metro's transportation and sustainability goals while ensuring a world class visitor experience is maintained and enhanced. So on behalf of metro council I urge you to approve this agreement and direct your staff to move forward with implementation of this agreement. Thank you.

**Kim Smith:** Good morning, commissioners. I'm kim smith. I am the Washington park alliance chair and also the director of the Oregon zoo. I want to quickly give you an overview of what the Washington park alliance is, the wpa. Basically it's a coalition made up of all the Washington park attractions. It's a very collaborative group that we meet regularly to discuss this agreement. We work in partnership to coordinate activities and events in the park, to advocate improvements to the visitor experience. Washington park is that beautiful jewel park and we care deeply about it. I'm joined by some of our wpa executive directors. Kerry hoops the portlands children's museum --

**Fish:** If you could please stand when called.

**Smith:** Gary Hart world forestry center and peggy short from hoyt arboretum. I want to thank them for coming today. All the wpa institutions are committed to creating a world class Washington park. Visitor experience to top notched attractions managed in a sustainable manner. Which we all care deeply about and worked hard to achieve. The Washington park transportation and parking

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agreement before you is supported by all of the park attractions. We are confident in that it provides framework for long term productive working relationship between all of the partners. Its a structure inclusive of residential neighbors. It makes for reinvestment in Portland's grandest park and better serves our community. Through the work we have engaged in we are not able to for the very first time take a more comprehensive approach to access transportation throughout Washington park. The Washington park alliance member organizations are very committed to sustainability and alternative modes of transportation to and from Washington park. This agreement establishes a structure under which we are able to be more systematic, deliberate and strategic in how we transport people to and from the park and our attractions. We want to take advantage of all the variety of transit options within the park including that max station. We are fortunate to have the max light-rail station outside our doors. The data we have compiled in the last two years shows it's been very effective in moving people out of their cars onto max light rail and also having car pooling. We are reducing reliance of our visitors on cars to get to the park, and encouraging the use of the light rail station. We want to continue to do that work through a more comprehensive approach. Under this agreement with establishment of the transportation management association we'll create a single source of information and more effective marketing incentive program to encourage more people to make use of max when traveling to Washington park and other options. We also expect to make the transit system more appealing and effective by establishing an inter-park shuttle that will transport people between light rail stations and across this beautiful park. Here are a few of the ways in which this agreement improves our guest experience of the park and its attractions. We appreciate your support of this agreement and look forward to working with you to enhance our guest experience and all the Washington park attractions are deeply involved in the work implementing this agreement. Thank you.

**Saltzman:** Welcome. I think you're relatively new as executive director of the Oregon zoo.

**Smith:** Three years.

**Saltzman:** Oregon's number one tourist destination if i'm not mistaken.

**Smith:** Yes.

**Saltzman:** I would imagine the zoo is the largest trip generator of the tma members. I'm just curious, I was surprised, I thought a long time ago we had adopted policies to severely discourage park and ride at the Washington park max stop or parking lots. How does that -- how do you see that working? Or does it work? Is park and ride taking up a lot of spaces at peak demand times for the zoo? They seem like they are growing longer every year, which is a good thing.

**Smith:** I'm actually going to let todd Lofgren answer that.

**Todd Lofgren:** I think the best way to address park and ride in the future, there's a commitment to working with sylvan highlands neighborhood about the interests of continuing a relationship of where we would have neighbors had an opportunity to get a permit from the zoo in the past to be able to come down and park in the south lot. The real concern is about the peak times of the year of when the parking lot is full. So in off peak times, those are times when actually the parking infrastructure can allow additional park and ride infrastructure. I think there's more work to be done to figure out how many people want to have that park and ride opportunity in the off peak time, and that's something that we see that the tma should be able to facilitate that discussion and then come up with a solution that will address that need. Right now people that are using the lot as park and ride are getting warnings from security staff, but right now because we have an honor system about payment, if you're not actually going into one of the three venues on the south end, you can hop on the max or -- not pay to park right now in the south lot.

**Saltzman:** Under the new proposal would people be able to buy at a pay station buy a ticket and put it in their winds shield --

**Lofgren:** That's right. One of the strategies is the pricing point of what we have for the all day rates to discourage that as much as possible except for the interest of the sylvans neighbors of

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having a separate permitting system. The daily rate will be really important about what is charged to discourage that. What we have discussed to date is an off peak daily rate would be \$4, but a peak rate would be \$6.40 as a starting point. That's \$6.40 based on our discussion to date in consultant with transportation experts in the city, that that would discourage the park and riders from using that on a regular basis.

**Abbaté:** Commissioner, not unlike what we did with willamette park, we have paid parking there. One of the concerns, reasons to put that in was the park and ride usage that was crowding out park visitors. So what we heard from the neighborhood associations was they like to use the park in the morning to walk their dogs and in the afternoon to bring their kids, so what we have at willamette park is a paid parking effective from 9:00 to 3:00 so it discouraging the park and ride use while still allowing neighbors to access and use the park.

**Saltzman:** Thank you. Any other questions.

**Fish:** A couple of invited guests.

**Abbaté:** I would like to introduce at this point veronica rinard, the community relations director at travel Portland.

**Fish:** While she's coming up, since peggy swartz is here, randy before you go, being a student of history, peggy in the gift shop at hoyt arboretum, they are selling the old signs they used to have throughout the park. They have replaced them with new signs. For those of you that have been using that gem for a long time, you can buy your favorite signs for 25 bucks, not only contribute to hoyt but have a piece of history. I understand christmas is coming up. Hanukkah, whatever you celebrate.

**Saltzman:** Welcome veronica. Just give us your name.

**Veronica Rinard:** Thank you. Good morning. I'm veronica, director of community relations for travel Portland. Thank you for allowing me to provide input. Travel Portland supports creating a transportation management association and transportation management plan in the Washington park area. This will provide the resources and oversight for numerous improvements to the visitor experience in Washington park. Washington park holds so many of Portland's top attractions it's an iconic piece of a visit to Portland yet can be confusing to get to and hard to get around once there. The proposed shuttle from jeld-wen field to and throughout the park is a critical part of this plan. One of Portland's strengths is visitor destination. You can come and visit Portland and not need a car to do it, so the shuttle will make the park and its attractions much more accessible for visitors who prefer not to drive. Plans for improving way finding enhancements at the south entrance, better security and traffic flow will improve the experience. We hope the transportation plan will also include better access in facilities for tour buses, something we have an issue with throughout the city. Especially with the winding roads, et cetera, up there and parking issues that would be good if we could find facilities for them. Our understanding is that the Washington park tma obviously has in its members interest setting parking fees at a rate that will not discourage visitation to the park and its attractions. With your support travel Portland looks forward to working with Washington park tma on new communications and marketing efforts to inform visitors of their many options to get to and throughout the park.

**Saltzman:** Thank you. Public testimony.

**Abbaté:** I have written testimony to introduce into the record from the consultant rick williams.

**Saltzman:** Give that to Karla. -- You're welcome to have that chair. We have one more after these four.

**Carrie Hoops, Interim Executive Director, Portland Children's Museum:** Carrie hoops, interim executive director for the Portland children's museum. We're here today because we represent not only the Portland children's museum but the opal charter school which also resides within the walls of the museum. It's no surprise the majority of our guests population are young

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children. That means providing a safe environment for them and a place to play and learn is one of our top priorities.

**JJ Rivera:** With that being said, I'm JJ Rivera the director of exhibits and operations for the children's museum. On top of that, over the past years Washington park as a whole all the venues have worked hard to learn how each individual organization operates. We have done that in the sense of trying to learn about the programs, events, services we provide so we can all make better decisions around each other instead of running out programs in isolation we can plan around each other so we're not bottlenecking, creating chaos for the park. Portland children's museum it's essential for us to continue to do this work to create a better experience for Washington park and for the greater Portland community. As we keep moving through this it's going to create a better experience at Washington park. Thank you.

\*\*\*\*\*: I'm going to let Susan start then I'm going to give you a little historical --

**Fish:** Who is running this hearing, Joe Angel?

**Susan Siegal:** He is. I have some prepared comments from Arlington Heights neighborhood association. I'm Susan Siegal. I apologize. Good morning.

**Saltzman:** Good morning.

**Siegal:** We also met -- I went to the Sylvan Heights neighborhood association meeting last night. They are not able to be here today. Part of the reason for this is it's just really short notice. We received this full copy of the TMPA only last week and people couldn't get off work to be here. They apologized. They wanted to stress I was asked to stress that one of their concerns is park and ride and I believe Joe will address that in more detail. They feel that historically the reason behind one of the Zoo Max station was that they would be able to do park and ride and that was part of creating it, part of the agreement with the neighborhood at the time. So elimination of park and ride is a particular concern to them but they won't be able to address that here today. I believe they e-mailed something to Commissioner Fish. There should be some written comments.

**Leonard:** Sorry for interrupting but didn't I just understand that Sylvan was able to keep the park and ride with your inquiry?

**Saltzman:** They would be able to buy permits. That was what we just talked about.

**Fish:** In fairness since we have had 21 neighborhood meetings over the last 17 months these issues have been discussed and as Mike said very clearly on the record that Sylvan neighborhood would be able to get permits.

**Siegal:** Maybe I misunderstood.

**Fish:** That's in direct response to the issue raised by the neighborhood.

**Siegal:** The meetings as we understood the 21 meetings they have been centered around a good neighborhood agreement. While we were aware of parts of this plan we were not aware of the full nature of the plan and we received the full copy of the plan just last week by downloading it from the Metro Council website. The AMA board has been discussing general parking and transportation issues with representatives of Metro, Washington Park and the Zoo and City for about 18 months, but we believe the focus of the discussions has been the disposition of the West parking lot and associated conditional use application. Our meeting was three days prior to the presentation of the Washington Park transportation and management agreement to Metro Council but it was not disclosed to us at that meeting that this document existed. And although elements were discussed in general terms, we don't believe that we have really heard the full details of this plan until that time. Mostly we believe that elements of the plan should be modified. We're sort of disappointed that the agreement was approved by Metro Council without particular amount of time for public input. So our comments are really directed not just to the process by which this plan was drafted but also some elements of the plan itself that we're hoping to be modified. There are a lot of aspects of the proposed agreement that we support. Development of a Washington Park master plan is a laudable goal, something we support. Creation of a transportation management association, we support.

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Improved shuttle capability we support wholeheartedly. We agree parking revenues be used for these purposes and we support the concept of paid parking at least in the southern part of the park near the zoo. Our understanding of what was presented to us was traffic control study but predominantly from the southern part of the park by the zoo and the venues, and not at the northern part of the park. My understanding is those studies have not been done at the northern part of the park by the Japanese garden. They have not been shared with us if they have been. We would like more traffic control studies down there. There are elements that we don't agree with. We have some concerns about the lack of public input as much as there have been a large number of meetings about the good neighborhood agreement and very general process meetings sort of globally. There isn't a lot of public input on this particular plan. Then we're in the process of drafting a good neighborhood agreement with the venues, paid parking was discussed in these meetings but this really focused on the south end. A lot of our concerns are about the north end.

**Saltzman:** Your time is up, ma'am. We have your written testimony. Mr. Angel is going to bat cleanup. Three minutes.

**Joe Angel:** Thanks for having me. I need to start out by saying remember that we got to this place because there was a broken trust about the auxiliary lot. These meetings we have had with metro and parks and all the neighborhoods have been tremendous. We have bought into the vision that parks kim brought to us and we think that that process was terrific. What we were surprised about last week was we had never seen the detail of an agreement. The agreement we think needs some fine tuning. We're asking that that fine tuning take place before you take a final vote on these issues. What's happened over the last two years, we went from being sort of very skeptical of even having a discussion to being with people that we believe we can trust again. So this issue about the neighborhoods park and ride by the way, I think there are 40 slots and every year only about eight or nine of them get a tag bought for the mirror. So we're not talking about a big deal here. But that's part of the trust that was broken originally with the development of the max station. There were a list of things that neighborhoods negotiated and we felt should be honored. We expect you to honor your agreements just like you expect us to honor ours. So that's why this thing blew up last week is over that being one of the issues. The rest of the issues you'll find in our written testimony. I think we can have a discussion about those issues and move on to what I think will be a fantastic master plan for Washington park. We have been 30 years without one. You guys can't really make capital decisions without having a master plan to guide you. So --

**Saltzman:** Joe, from reservoirs to skateboarding to parking, I'm probably leaving a lot out, you have rolled up your sleeves and been a tremendous partner with the city on all these issues. I thank you for that. Your comment about trust, I want to take that comment and redirect it to Mike and Todd and the team because you and I talk privately a lot about the history. You said there needed to be a change in the relationship. I think I told you Mike would bring a different approach. I appreciate you calling that up. The point I just want to also make is that what I'm hearing is that on the fundamental question, I'll just go off the prior testimony, support for the development of a Washington park master plan we're in accord. Establishment of a transportation management association which currently is proposed would have two neighborhood reps, conceptually we're in accord. Long overdue shuttle bus that would allow people to park and then ride, we're in agreement. Retaining the revenues in the park, which is something we have committed to and that's a very important -- a trust point. We're not looking to generate additional revenues and ship them elsewhere. Then the concept of paid parking, something that you said we agreed to. Just so I'm clear, I'm hearing misgivings over about 400 parking spots. 1,000 at the south end we're in agreement on. We're now talking about the 400 in the north end. One of the concerns that's been raised and I heard it for 17 months now, is concerns about people about displacement. They don't want to see this solution create a problem on neighborhood streets. We hear that loud and clear. Whatever the council is going to do its will here and I will get feedback shortly about what they

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want to do and you've had a chance to put your marker down. I want to make a commitment to you going forward, we view the tma as the place to have these discussions. We have agreed it needs to be structured so neighborhoods have a real voice, not just an opportunity to come state their case but actual representation. I'm not an expert on tmAs, I'm sorry the mayor isn't here, because he is, but it's almost unprecedented to have two neighborhood slots dedicated on a tma, and it's our intent to demonstrate that we're serious about this.

**Angel:** There's a lot of debate at the north end of the park about this whole issue. The more press there is, this meeting we had on the holiday, we had a lot of people who came from the neighborhood into a board meeting that we had never seen before that were all over the spectrum on parking and what parking would do or not do. I think a lot of it can be handled by us having a dialogue. But in general, the board has heard from the neighborhood that the master plan and the shuttle and the tma are important things that have to come to pass.

**Fish:** One other thing I'll just state is what I have come to learn in my briefings, Joe, if we bifurcate and just tackle the 1,000 parking spots in one location, what we're guaranteed to do is displace parking to areas that exacerbate the very concern that you come here to raise. If there's 400 unregulated spots in one area, we're setting up a big sign saying park here. Then you know I think you can reasonably anticipate what will happen to the adjoining neighborhood streets. We're literally trying to avoid that by creating a system-wide parking management plan and looking at it holistically. We got push-back from some of our partners concerned about access to their venues. When they looked at the benefits of a system wide plan with shuttle buses and resources their concerns were allayed. I respect your concerns but we're truly committed to addressing them.

**Leonard:** So if I could just make an observation, I appreciated commissioner Fish starting off his comments with acknowledgment about how this particular association skateboards or reservoirs -- I will say this not just from Nick's perspective but from mine has been unusually rational and reasonable in finding solutions. You may have heard I have been dealing with the reservoir issue for about seven years now. On another part of the city, just as in your part of the city, I have gone into early on into people's homes and had meetings, gone to Washington D.C., looked for solutions and I quickly learned at least what those reservoirs at Mt. Tabor, a compromise meant for them when they got their own way. I can't work like that. So I have had to disengage. On your side of the river, I have met in some of your homes, had similar decisions, whether it was on reservoirs or on skateboards, and have had ongoing dialogues that caused initial positions I had taken to be modified because the response has been consistently rational, balanced, reasonable, and compromise meant both sides gave a little bit. I have consistently appreciated that. One of the benefits the neighborhood has reaped is a renovated Washington Park Reservoir with a chain link fence being removed and a wrought iron fence installed, the grand staircase being cleared away that people didn't even know existed for 50 years that is now open for public use. That's the kinds of thing I think some neighborhoods could learn from your neighborhood how to be productive and to make strides ahead. So that's a long way of getting me to a concern I'm hearing here that I'm not quite understanding. I do appreciate commissioner Fish in advance of this hearing briefing me on this. But given the particular mix of people that we're interacting with on this agreement, I guess I'm at a loss to understand why, maybe this is a question for Mike Abbate or from one of the staff people, why this agreement wasn't shared with you earlier, why some attempt couldn't be made to try to find a balance of interests before we, the council, are put in a position to have to frankly take sides. Were you a different neighborhood, I would understand that was just the cost of doing business, move ahead. This particular group as I said has demonstrated to me repeatedly the ability to find a middle ground. So I'm just curious --

**Angel:** I'll give you my opinion. I won't speak for Mike. He can speak for himself. He's good at that. I think the issue this piece of paper came from a board meeting that happened around a specific agreement and ordinance which we simply had not seen the detail of. It took weeks or

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months to write. We did have the general viewpoint of all these issues. We talked about them infinite. I'm sure the staff is going to tell you they are tired of talking. Believe me the neighborhood is tired of talking too. We want to find the solution. It's an exhaustive process. We think we can still find a common ground on all these issues.

**Leonard:** My point is my experience is that you would. That's why i'm wondering council is in the position it is.

**Saltzman:** We have one person who wishes to testify.

**Fritz:** I have a question for susan first.

**Siegal:** Yes.

**Fritz:** You were at sylvan highlands.

**Siegal:** Yes.

**Fritz:** What was the discussion there? I had a letter yesterday morning from one of their board members expressing similar concerns.

**Siegal:** The discussion is that they were as surprised by this as we were. They were also involved with meetings mostly around the good neighborhood agreement, the transportation management plan. I think they were aware generally of the proposal to put in paid parking. But again it's the same issue where they haven't really had time to review it and there are concerns for them about for example what other things are in this document, making sure there's money for pedestrian infrastructure. They don't believe that was addressed in the document. That was one of the comments. A lot of it I think is surprise. The public did not know. One woman said I walk around the park all the time. I couldn't come to last month's meeting, and this was not a board member, why didn't I know about this?

**Fritz:** Thank you.

**Saltzman:** We have one gentleman left to testify. Come on up. You can give us your name and you both have affiliations related to this. You have three minutes.

**Gary Hartshorn, President and CEO, World Forestry Center:** Commissioners i'm gary hartshorn, president and ceo of the world forestry center, Washington park has been our home since 1971. First I want to recognize the considerable collaborative efforts that have been made particularly over the last two years to address parking issues in Washington park. Secondly, the world forestry center supports and endorses the proposed tma for Washington park. Thank you.

**Peggy Schwarz, Executive Director, Hoyt Arboretum and Friends:** I'm peggy swartz, executive director of hoyt arboretum and friends. I will be brief as my colleagues have stated most of what we have been doing over the past two years. The board joins as a signator to this agreement and i'm looking forward to continuing to work with my wpa colleagues and the neighborhood in establishing a very important, very necessary transportation management system for Washington park. I think it's a comprehensive view of the park, and is definitely needed for traffic management and we're in support of it.

**Saltzman:** Thank you both. Director abbaté, are you here? Come on up. You have questions or just --

**Leonard:** I guess i'll make an observation. The observation is based on cursory information that I received in my briefing with commissioner Fish which there was nothing told to me there nor nothing that you have presented here today that raises a red flag for me as a problem in an of itself other than i'm for want of a better word mystified why when you're dealing with a group such as we just had testify you wouldn't make sure that they had seen the agreement, if they asked for more time delay this hearing so they have more time. Based on my experience which I guess echos your own experience, this is an extremely reasonable group of people who are looking for solutions and not create a problems that creates other problems. I don't understand why we haven't allowed this debate a little more and interact with this group a little more, listen to their concerns if they have any, see if there's some attempt to address it. To the point that you couldn't do that, then bring that



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back to us and let us decide that. I'm hearing they may or may not disagree with what you have here they just haven't had time to digest it.

**Abbaté:** Commissioner, good question. I would just respond by saying that I can understand the perspective as joe mentioned, sort of the terms, the business terms without the printed agreement, the approach was shared earlier, and i'll just take responsibility for the fact that with six venues, each with their own board that needed to be approved, and a metro council coordinating all of that and being able to show the public something that had support from the venues prior to the venues voting on it created a complexity. It's not maybe a typical linear process when you have partners that have boards. We're happy to continue the conversation next couple weeks.

**Leonard:** Believe me i'm completely sympathetic with what you've just said. But I just wonder, is it a fatal flaw to wait an extra week or two weeks before we vote on this to have --

**Fish:** Can I jump in on that? Randy I appreciate your comments. It's also been my experience working with this particular neighborhood association. So because we don't have a council next week, this would not in the ordinary course come back for two weeks. I have been making a list of issues which my colleagues have raised, commissioner Fritz has two, dan has one. You raised the fundamental question of can we close the gap with one neighborhood, two neighborhood associations, over the north and south parking issue or at least make sure if we can't that we're as transparent as possible about our thinking and engage their thinking. The reality is we can do that over the next two weeks and frankly if it's the council's desire, if i'm not satisfied that's cooked enough we can postpone when we come back because I appreciate that our general preference is to have something that we can vote without dividing winners and losers. When I heard the testimony what encouraged me was about 95% of this agreement is in fact cooked and reflects the values and agreements that have been struck over 20 neighborhood meetings, seven or eight with one in particular. Todd hasn't seen his family for a year and a half. That's hard work. Actually it's almost a miracle that we have this much. The last time on the central east side we had vehement opposition by businesses who felt that it was fundamentally flawed. We haven't heard a fundamental flaw, we've heard a concern about that the two parking lots. I would be more than happy to have some structured meetings, particularly in my office, to continue that and at the point which I think we're ready come back or if not if there still remains a disagreement brief my colleagues so you know what's ahead.

**Leonard:** That characterizes precisely the point I was trying to make.

**Fish:** I'm happy to do that. I don't think we need to change the schedule. It wouldn't otherwise come back in two weeks. I would report back to you informally.

**Leonard:** Appreciate it.

**Fritz:** I'd like you to maybe consider continuing the hearing rather than scheduling the vote. I'd like to hear testimony from citizens as to whether things in fact are fixed.

**Fish:** That's fine. Were not up against a schedule.

**Leonard:** We could add a second hearing --

**Fish:** We could add an emergency clause if we choose.

**Leonard:** No, no, no. We could add a second hearing we could allow testimony. that's the council's discretion.

**Fish:** I'm committing to my colleagues that we will not seek a vote until I've reported to you that either we have agreement or that the issues cannot be resolved. Since we have a two week period lets use that in good faith. Sometimes a deadline commissioner fritz focuses the parties attention and we've been working on this for a long time. Why don't we keep that date we could then at that point if people feel more time I would certainly entertain that.

**Fritz:** I have some more comments. I would be hopeful there would be some amendments regarding the makeup of the transportation management association. In addition to people speaking for portland's families at large. I think that there needs to be some consideration to the fact that there

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are many fundraisers that happen at the zoo and the world forestry center and the essential impact of parking fees on evening visitors, weekend visitors at fund raisers needs to be considered.

I would suggest we keep it on schedule and report back in a week informally.

**Saltzman:** Any other issues? We will have the second reading on the 28<sup>th</sup> but we will also make it explicitly understood that there will be an opportunity for additional public testimony.

**Fish:** Thank you team and thanks colleagues for a thoughtful discussion.

**Saltzman:** Item 1303, if you could please read that?

**Item 1303.**

**Saltzman:** We do have somebody here from the bureau of transportation. Welcome. Give us your name.

**Richard Gray, Portland Bureau of Transportation:** Thank you. Richard gray, Portland bureau of transportation. Commissioner Saltzman, members of council, this is a fairly routine ordinance that actually was intended for consent. This is to approve eight contracts, six for survey and two for photo grametric services. These would be on-call services. They're three-year contracts. It allows the bureaus and the contractors to save a lot of time, money, and effort in not having to put out a full solicitation every time you need a \$10,000 piece of work. You can just go to the next permanent rotation and write a task order. It saves the contractors a lot of money and time if we don't have to prepare proposals every time. Large bureaus use this process. We have six contracts for survey work and two for photo grametric work, area mapping. It's related to the land survey process.

**Saltzman:** We don't use drones for aerial mapping. [laughter]

**Gray:** No. I don't think so, I'll have to check.

**Fritz:** Are any of these companies minority or women-owned businesses?

**Gray:** Of the eight primes, none of them are. One of which is interesting owned by an alaskan native corporation, but they are not certified for some reason by the state as an mbe. I'm not sure why that is. But we do have a significant amount of minority participation of subcontractors. I think it's about 19.5%, something like that, that are listed as subs on the projects.

**Fritz:** How do we ensure that those subs are used?

**Gray:** That is monitored by the bureau of procurement services, and the contractors have to provide monthly utilization reports to our project manager and to procurement services.

**Fritz:** What's the consequence if they don't?

**Gray:** I don't know that there is a consequence. That's a question for procurement services.

**Fritz:** And why is this a three-year contract? What if there are businesses that are building and could bid on it?

**Gray:** That is one of the drawbacks of the three-year contract. The advantage is that it allows to have a stable crew of contractors that we can go through rotation onto get them the work. But that is a drawback that it's locked out for three years.

**Fritz:** Are we then locking in a maximum of 19.5%?

**Gray:** It's 19.5 based on what they've listed as their potential amount of subcontracting. They can do more than that. They can do less than that.

**Fritz:** So we have no way of making that happen?

**Gray:** We can encourage them to do that, but there's not a hammer, that i'm aware of. It's a process procurement services uses, the monthly utilization reports.

**Fritz:** I know this is bigger than this particular ordinance, but I think it is evident that we need to look at these service contracts broadly and look at how we can do better in our ensuring that we get minority and small business.

**Gray:** We do a significant amount of outreach. I sent an e-mail to every registered mwesb contractor that lists survey or photo grametry as their expertise, plus we advertised on the city's website and the daily journal of commerce

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**Fritz:** There was a representative from the portland development commission at the african-american chamber last night who went in person and explained the process. Again, it's not specific to you, so i'm not blaming you. I think we need to look at in-person outreach and explaining to folks what the opportunities are beyond posting a notice and sending an e-mail.

**Gray:** We often do that. For our previous large, flexible on-call service contract, we held a forum at oame and had -- did a lot of direct mail and outreach to get people there, trying to match up contractors with subcontractors to encourage them to partner up.

**Fritz:** I appreciate the work that's being done in procurement services. I look forward to continue working with you on that.

**Saltzman:** Thanks Richard. It's an emergency ordinance. Please call the roll.

**Moore:** I didn't have a sign-up sheet for this. Anybody want to testify?

**Leonard:** Aye. **Fritz:** Aye. **Fish:** Aye.

**Saltzman:** Aye. We are done with our business this morning. We will reconvene at 2:00.

At 11:08 a.m., Council recessed.

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

This file was produced through the closed captioning process for the televised City Council broadcast and should not be considered a verbatim transcript.

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

**NOVEMBER 14, 2012      2:00 PM**

**Adams:** City council will come back from recess. It is Wednesday, November 14<sup>th</sup>, 2012, 2:00 pm. Karla, how are you?

**Moore:** Good, thank you.

**Adams:** Please call the roll. [ roll call ]

**Adams:** Here. We're going to consider the item held over from this morning. Please read the title for nonemergency ordinance item number 1302.

**Item 1302.**

**Adams:** And call the vote.

**Fritz:** Thanks to everybody who participated in this. This is a second reading, so there's no testimony, so most people are not here. But a lot of people put a lot of time and effort into this agreement, and I recognize the folks who are here. I went through all of the testimony and had discussions with the mayor and others about more we can do. As the mayor said last week, I view this as a starting point, and we -- some of the things such as the 21 days for the citizens review committee to do their work, seemed extremely ambitious. And what I heard last week is that the department of justice wants us to try that. There's a lot of momentum at this point. I'm very happy that we are recognizing the needs of people with mental illnesses. I want to remind everybody we have a new number to call if you're feeling suicidal or you know somebody who is, 503-972-3456. That's the number that will get you mental health professionals and volunteers at lines for life, formerly Oregon partnership. It's a number you can call and talk for an hour or more if you need to, if you need mental health counseling. They are able to resolve 98% of their calls without needing to dispatch anyone. When they do, they're able to make sure that the person who is responding, whether it be a project respond or the police is aware that the person is in need of assistance. We have a lot of work ahead of us, I'm very happy that I get to continue on the council hoping to lead that work particularly with regards to people with mental illnesses. I visited with folk time this past weekend and engaged their member support and help for this project, it's more than a project, it's changing the culture of the way we do things in Portland, and the way we think, and that's in line with the office of equity and human rights. I'm pleased this office of the independent monitor, the community liaison is not in the office of equity, because it needs to be clearly responsive to the advisory board and the entire council. So I think that structure sets us up to move forward in a positive manner. We have a lot more work to do on use of force policies and a number of the other policy changes which aren't enshrined in this agreement but are absolutely necessary, including changes to the independent police review system. I know there's a lot of people who have been working diligently on this for decades, if not longer, and a lot of willingness to work together to get real solutions in a very short order. That's why I'm willing to support this agreement even though I do believe some of the time lines are overly ambitious. I don't think it's exactly the way any of us would have had it, that means we all have to work together to make sure the outcomes are what we all want to achieve, which is a society and a community which is safe and just for all in which we are able to trust that our police will be responding in a manner that is safe and just for all. Thanks to the mayor and that clay neil and your staff did a lot of good work. Also appreciative to the citizens crime commission, susan hayden, members of the safer pdx project that did a lot of the

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background work so that when we were looking at how to craft changes, we had already done the studies and were ready to move into action. The community care organizations and the mental health system, physical health system, is going to be a part of this too. So we're finally going to have a system that works better. And i'm committed to doing my part to help that happen. Aye.

**Leonard:** Aye.

**Fish:** I too want to thank the mayor and his team for their work and also commissioner Saltzman, and the mayor for issuing the first call for this investigation. The last two hearings that we've had have been almost unprecedented during my service in terms of testimony we received and the concerns that have been raised. I have concerns with the overall approach. I appreciate all the work that's gone into it, but for example, I fear that we are locking ourselves in to some commitments and expenditures of limited public resources at the wrong end of the problem. And given what we're forecasting as the next -- a gap in our budget, and given the inadequate resources upstream around prevention, and addressing problems before they result in tragedy, I have a real concern about committing long-term money in this way. I also am concerned about what i've heard from some people in the community who have just fundamentally questioned our approach. And are wondering whether we're adding new layers which are well intentioned, but are not getting at some core problems. I'm going to be on this council for at least another two years, and it's going to fall to this next council to actually implement this agreement and to consider some of these points. I have serious concerns, and i've listened very carefully to impassioned testimony, and i'm not confident of the path forward. I will say, though, I believe the mayor has with great diligence and good faith has tried to structure the best deal he could, and at the same time the mayor has been very attentive to concerns his colleagues have raised over the last few weeks. And this agreement has changed as a result. But i'm not sure at the end of the day this is the right approach. I am going to vote aye today, because I hope it moves the ball forward. And because I think there are in some respects, particularly around funding for set and additional training, things of that nature, there's progress, but I fear there's a larger question we're not getting our arms around. And so I will vote aye and thank my colleagues for their good work, but I think the really hard work is ahead of us. Aye.

**Saltzman:** Well, I am going to support this settlement agreement. I do believe, and I want to thank the mayor for all his work. And particularly where it gets with sort of the front line responses to people with mental illness in terms of having more officers having -- hiring people from project respond to pair with officers, to respond to people in crisis. These are all great things, and those type of things I support. Having said that, i'm having a little problem getting my arms around some of the other costs that are sort of built into this agreement. And I want to ask more questions about those. I see this agreement as a performance-based agreement. It says investigate and complete your investigation of use of force within 180 days. Whether it takes an additional nine internal affairs division officers, other sergeants to do That, or whether it just takes the bureau working harder and smarter making sure reports aren't sitting on people's desks for longer periods of time, that I don't know. And that is one of the questions I have, and so that is leading me to question some of the expenses that are added here. I guess on the upstream end of things. To sort of follow up on commissioner Fish's analogy. So i'm going to be asking questions I didn't receive a matrix until this morning, that showed where all the staffing costs are within the settlement agreement. And again, as I just said, the settlement agreement doesn't really speak to a lot of the costs specifically. It's a performance-based agreement, and I think we are more than responding in kind with the spirit of this agreement. But I do want to reserve the right to question the amount of money and the types of positions that are being paid for. And I say that not only in the police bureau, frankly I have the same concerns about the ipr, independent police review, whether we need those positions or not, or whether people simply, in this environment, this budgetary environment, have to work harder and smarter than they have in the past. And that goes beyond the bureau, it

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goes to every employee in the city as they look at tough budgetary times ahead of us. I know tomorrow we have an agenda item that is kind of germane to this in terms of how we pay for this. These are questions I'll have more of tomorrow too, but I just want to sort of get it out there right now. While I appreciate the work you've done mayor, with the department of justice, in reaching this agreement, I think there's still some hard questions to be asked about how much this agreement costs us to implement and those are questions I think are going to have to be played out, especially since this agreement will probably not be finalized by a judge until the end of the year, and only then does it take effect. These are questions we need to ask as we do our budgeting, not only for next year, but as we make decisions around revenue raising measures tomorrow and as we do budgets between now and the end of the year. Aye.

**Adams:** I want to thank my colleagues on the city council for their affirmation and acceptance and approval of this agreement. It comes as a result to the negotiations with the federal government. You don't always necessarily get what you want when you are negotiating. It probably is of no solace to the council, but the original positions around the negotiating table had us paying for a lot more. City of Seattle's agreement is costing them \$5 million ongoing, so ours is 3.5 plus I pledged tax equity reform that would pay close to not only the 3.5, but make a good down payment on providing the continuing services for the service coordination team. OMF worked with the bureau to come -- and DOJ -- to come up with what it would cost, and yes, time will tell where needed improvements to those original assumptions need to be made. I think that that can only come from experience. So is nine too many for independent review? Is it too few? That will -- future councils, absolutely, have the right and should claim the right to make improvements from this agreement. I will tell you also as you look at this agreement compared to others around the nation, this has more specificity, it has more oversight positions and requirements for data collection than a lot of other agreements out there. I want to thank Clay Neil and Sophia and my office, Stephanie Harper, David Woboril, Jim Van Dyke, Chief Mike Reese, Assistant Chief Larry Odea, Assistant Chief Eric Hendricks, Director Mike Kikendal, the auditor, IPR, Mary Beth Batista, everyone at DOJ from our local U.S. Attorney Amanda Marshall, to the very top commissioner Amanda Fritz. The health care providers and regional coordinated care organizations, PDX -- safer PDX participants. To be successful at what DOJ is asking of this city, will require more than just the successful reforms in the Portland police bureau. It will require a fundamental change in the way that we as a city look at mental illness. And the way we as a city treat those that are suffering from mental illness, or I should say more accurately, how we don't provide treatment to folks that are suffering from mental illness. The police bureau given the nature of its charge, it's appropriate that the police bureau and first responders be part of the front of the line in terms of making this change. But I don't want to leave this council or this city under any false hope. It will require change across the board. And this is just the beginning. Aye. [gavel pounded] can you please read the title for item number 1305.

**Item 1305.**

**Adams:** Could we please have folks come forward? Who would like to begin? I had a 30 minute speech, I'm going to cut it to zero.

**Raihana Ansary:** Ok. Good afternoon, Mayor Adams and commissioners. I'm Raihana Ansary, the policy coordinator for the mayor's economic development team. I'm joined today by Corey Jacobs, downtown retail advocate, and Courtney Reece, downtown retail marketing initiative manager for Travel Portland. We're here today to present an update on the 2009 downtown retail strategy. In late 2008, Mayor Adams convened a downtown retail vision task force comprised of individuals from both the private and public sectors, including designers, property owners, retailers, brokers, to help address existing challenges to the downtown retail core. An area bounded by Second and 12th Avenues, and Southwest Salmon and Washington Street. At the time, challenges included a looming recession, and a potential concern of high vacancy rates, outmoded retail space, retail changes of space and character on average every five to seven years. So existing retail space

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was a need of reconfiguration and renovation. At the time we had no sidewalk management ordinance, regulating the usage of sidewalks in the downtown retail core, and we faced increasing suburban competition from lifestyle centers in edge cities. To help address these challenges, mayor Adams directed the task force to focus its initial efforts on the signature retail streets, in order to create an anchor and to draw visitors and tourists and residents downtown. The task force met over the course of five to six months, in 2009, and with charge -- was charged with not only updating the 2007 downtown retail strategy, but strengthening our signature retail streets, connecting the various districts within the central city, and stimulating downtown as sort of the overall economic engine for the region. By improving our downtown retail and environment, we support the growth of living wage jobs, we support an increase in the tax base, improving the level of services that are provided by both the city and the county, and we create an increasingly attractive destination for prospective residents, tourists, and private sector investment. So why is downtown retail so important? Due to its direct impact on the street level, retail is the means to an end for the overall downtown and ultimately the region's success. Retail activates the ground floor and sidewalk, providing eyes on the street, a primary safety element. It provides amenities and services to those working in the downtown office core, which makes our downtown office space more attractive in comparison to edge cities. It provides amenities for residential populations, making downtown living possible. And ultimately makes for an attractive destination, once again. So our 2009 downtown retail strategy was unlike others in that it really focused on four primary action items. Of which i'm proud to report we've addressed. The first is we identified and designated yamhill-morrison as our signature retail street because they occupy several high-end retailers and regional anchors, and they provide a natural retail spine connecting various districts throughout the central city. We've also focused investments, and resources on yamhill morrison. The -- a portion of river district dollars have been allocated Along yamhill morrison as well as pdc storefront grant improvements have been made available. Cafe yum, crafty wonderland, joe's burgers are among several who benefited from these grants. In 2010, pdc adopted new storefront program guidelines that raise the grant match from 20,000 up to 100,000 for projects that have a transformative impact on the downtown retail core. We've also employed tactical tools along the signature spine. Prior to the 2009 update, we lacked interagency coordination related to downtown retail. Corey jacobs, our downtown retail advocate serves as a retail ombudsman for travel Portland, Portland business alliance, and the city of Portland. Her position is focused on targeted business recruitment and retention, she also provides business outreach regarding financial incentives, and leasing opportunities to prospective tenants. Our targeted team also includes katherine cognac, senior project coordinator from the Portland development commission, courtney reece, counsel town marketing initiative manager from travel Portland, lisa frish, downtown development retail manager from the Portland business alliance as well as oversight from the mayor's economic development team. To enhance the appearance of the yamhill-morrison streets, we've made a number of streetscape improvements along southwest 3rd and 10th avenues. We've refreshed paint on light poles, we have new light globes, we're in the process of installing 50 new armatures that feature the new pioneer district logo. We're also in the process of installing 28 planters, 15 --

**Fish:** For the record, I was at a dinner recently and saw sam walking off with a pioneer logo. And maybe I shouldn't say that publicly, but for those of you still looking for it, I believe it's at a certain condo in northeast Portland.

**Saltzman:** First i've seen it.

**Adams:** There is one missing. But it needed additional touch-ups. [laughter]

**Ansary:** So we're in the process of installing 28 planters, 15 by six feet each. We've also installed 15 big belly solar trash receptacle and three multipublication news racks. Finally, to further enhance pedestrian experience and improve public safety along yamhill-morrison in 2010, you city council adopted the sidewalk management ordinance. To implement this ordinance we've installed

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markers and signage designating a six to eight-foot zone depending on the width of a sidewalk that allows for fluid movement and passage for pedestrians along yamhill-morrison.

**Adams:** The speed to which we installed them was remarkable.

**Ansary:** We got it done.

**Adams:** Lightning.

**Ansary:** Now i'll turn it over to corey jacobs who will share more on our business recruitment and retention efforts.

**Cori Jacobs:** In 2009 we identified key building and blocks that would be transformative in creating a key shopping district in downtown. We've identified these on the map and with help from pdc delivering funding where they were there were gaps in the deals, as well as the storefront program, pba, myself and the mayor's office, and most importantly, the building owners, and the brokers who saw the importance of key retailers on the core and sought out those retailers. Since the strategy was put into effect, the following buildings have been renovated with new tenants. The crest kaplan building, 17 and 18, has the nike flagship, sephora, an independent restaurant, starbucks. Pacific center, number 24, saw the relocation of ruth's chris, the yeon building, which we will call out isn't ideal for from a retail perspective, but if you've gone down there and seen it, it is very transformative, and it really activates the street. They've done a wonderful job in partnering us and listening to the downtown retail strategy and really talking about what activates those streets. It's the sterling bank.

**Adams:** If I could, just thank the goodman family who worked with us and thank commissioner Leonard and -- who had bureau development services at the time of the fire bureau for the nike flagship store, a tough, tough building to repurpose for retail, and so commissioner Leonard, appreciate that. And then sterling bank as well, our concerns, if you've been by, it's all glass. If you gotta have a bank on the corner, this is the kind of design you want.

**Jacobs:** And we're also working in the in line space of the yeon building in negotiation was another high-caliber restaurant. T.j. Maxx, the entire building, the property owner has been working with pdc to revitalize the building. They converted the second level to office and have recruited a relocation of a local office. As well as repositioning their current tenants to allow for another large-scale business like tj maxx to come in downtown. So that added about 23,000 square feet of retail. Projects underway which include the galleria, the city target will be opening in that space fairly soon. As well as the former saks fifth avenue space, which is now under construction for a highly --

**Adams:** Apple. Staff can't say it, but I can.

**Jacobs:** As well as the other things that are going on in that area are the -- sorry. The pioneer place also has several things going on with the third level, they are adding punch bowl social, which will add about 20,000 additional square feet, which is multiuse. There's going to be a bowling alley as well as food, and that will open in the spring. And they will have access onto the street.

**Saltzman:** Punch bowl social?

**Jacobs:** It's a company out of denver. They may open before the denver location.

**Adams:** The former today.

**Jacobs:** It's the entire third level. And they'll have patio and multiuse. And lots of other stuff underway with pioneer place. Lastly the 10th and yamhill garage has been discussion and pbot and pdc continue to pursue redevelopment to increase use of the property while remaining parking for retailers in the core. Target has asked for a two-year reprieve on that development, to reengage their tenants and actually allow for parking in the garage for two years. So they will relook at development in the spring of '15.

**Adams:** One reason to look at 10th and yamhill anew is that the original agreement assumed actually slight shrinking of the number of parking spaces. Since then obviously we've landed target, so we do not want -- we have new demand for parking and -- it's a good problem, and we do not



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want to give up any of the previously proposed parking spots. That's why the renegotiation is necessary.

**Saltzman:** Could you repeat that last point about the target renegotiation on the yamhill garage?

**Jacobs:** I think sam just mentioned it as well. Go ahead.

**Saltzman:** I'm not clear what -- what are they ask for renegotiation for?

**Jacobs:** They asked for a postponement of redevelopment.

**Saltzman:** At 10th and yamhill.

**Jacobs:** Yes, so the garage is going to be torn down. There's been several discussions between pbot, pdc and local developers, which would still maintain parking and increase the use of the garage. However, given that will be the majority of the parking for target, even though target anticipates a good portion of their people will not be parking, they don't want to have the garage under construction with over 600 parking spaces adjacent to it.

**Saltzman:** Ok.

**Adams:** At least for a couple years.

**Jacobs:** The next slide is just estimated business license tax revenues. It shows the retail core versus downtown. And the fact that the retail core is more than half and the number continues to grow. So when we mention retail recruitment we have key categories we look at. Our goal is to recruit the best local and national retailers.

**Adams:** What an awful picture.

**Jacobs:** We target fast fashion with large scale.

**Adams:** I guess touche, huh?

**Jacobs:** We have h & m, tree birch, so we continue to recruit and retain locals, we have the pop-up shops, as well as a lot of independent retailers which have joined downtown in that area. We identify that as the west end. Restaurants have been a key component to attract restaurants. We have cafe yum, ringside, just to name a few and there's more underway. We're excited about the number of new restaurants that have come downtown in the last several years. Supportive retailers, cosmetics, home furnishings, nike, apple, and city target. There's a few -- there are over 15 additional retailers that are of the small and independent scale. That have gone into the west end and really a lot of that is the fact they want to be near downtown but the rents are slightly cheaper and they love the edgy feel. We do feel they are part of downtown, and it will be a nice experience and target will further bridge that gap between the core and the west end. Last but not least, I will talk about the pop-up shops. The pop-up shops began shortly after we started the project in 2009, and really the key focus was for activating vacant storefronts. We also thought this is a reason to work with local entrepreneurs to get them a reason to come downtown and to try their business. We were very, very lucky to have a lot of business owners who donated the space for us, and we worked with local designers to actually open the spaces. Over the last four years, we've had 13 shops and four of those have stayed on as rent-paying tenants. Most recently crafty wonderland just signed a full lease. We now have four shops which just opened last week and i'll hand out flyers for each of those. Hopefully you can all stop by those. And a reason I want to go back to the part -- it became a small business development venture, and we also see a ton of positive press downtown for this, it just came out if you saw those last week, it's a reason to get locals back downtown, it's also a lot of excitement around the holidays.

**\*\*\*\*\*:** So the downtown marketing initiative produces --

**Adams:** Your name is?

**Courtney Ries, Downtown Marketing Initiative and Travel Portland:** I'm sorry, courtney reece with downtown marketing initiative and travel Portland. The dmi, downtown marketing initiative, produces a steady drum beat of year-round promotions and communications. This helps keep downtown vibrant and relevant and in the minds of the local consumer when they are deciding where to spend their dollars. We work with various partners, smart park, downtown retail council,

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pioneer courthouse square, and through those partnerships as well as working with the businesses in the core, we've been able to add some different layers since the downtown retail strategy was implemented. What you see on the screen are just some of the things we've been able to do in the past year with these partners. For example, the promotion in the winter was a promotion with the arts organizations. We were able to partner that with dining discounts and deals. Portland dining month returns. For the third year, that promotion features three-course, \$25 meals every night of the week in June. We had some restaurants that saw more than 1500 meals sold, more than 65 participating restaurants throughout the city with a nice strong concentration in downtown. In addition, into the fall season through a partnership with the downtown retail council, we are able to elevate the national exposure that the vogue international event fashion night out had by being the Portland face and Portland name. And also through another event that was happening in downtown, we were able to include those brick and mortar restaurants by offering appetizing Oregon, which were \$10 small plates featuring local ingredients or ingredients found throughout the state. The pioneer district, that brand, we're very happy and pleased to work with a variety of partners on that creation of the look and feel of those signature streets. And finally the emblem for this year's holiday campaign, kicked off last week with the kickoff of the pop-up shops. We also see advertising appearing starting on Friday, the relaunch of our website downtownPortland.org. So all this advertising all this promotion, what does this mean? Well, what we hope is that it will have a positive impact on perception of downtown and it's doing just that. When the downtown marketing initiative was started in 2006, among surveyed residents the favorable perception of downtown was at 41%. Through implementation of the retail strategy, this consistent year-round marketing plan we've been able to hold levels for those favorable views in the upper 60s. Among residents who live close in to downtown, so within 15 minutes that favorable impression increases, you'll see from the survey results we just did a few weeks ago to 78%. The last fiscal year downtownPortland.org, which is the driver for our advertising and for our promotion, had more than 230,000 visitors, a 90% increase from 2009, when the downtown retail strategy was implemented. In addition, you'll see the proactive positive p.r. messaging, with the pop-up shops but also the additional promotion, new tenants, had nearly 200 story placement was a 10% increase from 2009-2010. Finally, with implementation of this research -- this downtown retail strategy, we also were able to enter the social media space, since entering that in 2009 we now have more than 75,000 fans on Facebook, we also launch add Pinterest contest yesterday, as well as Twitter and Instagram.

**Ansary:** I'd like to acknowledge this long list of partners that you see here on this slide. This work would not have been possible without their invaluable support. So thank you. And now you'll hear from a few of our key partners, including Dave Leland, Chair Scott Andrews, Sandy McDonough, Jeff Miller and Emily Flint.

**Adams:** Thank you very much. Great presentation.

**Scott Andrews:** Good afternoon Mayor and Commissioners. I think you all know me. I'm Scott Andrews, president of Melvin Mark Properties, chair of the Portland Development Commission and I happen to also co-chair the Downtown Vision Task Force. The committee that produced the 2009 Portland Downtown Retail Strategy. Having been involved in many downtown efforts in the past, I'd like to highlight how this strategy is different from other downtown retail strategies and why it's been so successful. First, the efforts started in the spirit of a true public-private collaboration. The Mayor and I were co-chairs of the task force, thus both owning a piece of the public-private collaboration that was to come. We had a broad representation from property owners, retailers, brokers, architects and planners, as well as other public agencies. Second, we've decided to focus our efforts on two streets to create one continuous retail experience that is unique. And create a strong backbone for the retail core. These two streets, Morrison and Yamhill, now branded Pioneer District, have seen tremendous transformation over the past four years. We're now able to see the results of what we aim to do, which was to anchor Yamhill and Morrison at both ends was some

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incredibly transformative projects. At fourth and morrison we saw a major renovation of an historic building, long vicken, sephora, starbucks and joe's burgers. This mix is symbolic of the retail mix we boast about in downtown. This laid the foundation for the new nike store on the adjacent corner at 5th and morrison. This store is a testament to Portland's thriving athletic and outdoor cluster. Nike decided to go above and beyond for the store, aiming to get a leed platinum designation. At 10th and morrison the renovation of the galleria into a new city target store. This was a true public-private partnership in the sense the mayor himself played a major role convincing target to locate there. Thank you, sam. We are one of the first markets in the country to get a city target store and we're hearing that the one that recently opened in seattle is a fabulous success and they can't wait to open the one in Portland. Finally, while we were all sad to see saks go, h&m has been a terrific addition to downtown and we have a new anchor retailer set to open next year. Which will have a transformative effect on that end of yamhill and tremendously increase foot traffic. This doesn't include all of the other retailers that have opened their doors since corey has previously mentioned. Finally, I want to highlight how the strategy has empowered not only collaboration between public and private secretary, to but amongst the many organization and agencies that work to make downtown a great place to work and shop. As a result of the strategy, we hold quarterly meetings that we call downtown management summit, which is an opportunity for management level staff to come together and discuss issues relevant to everyone's work downtown. This committee includes city bureaus such as parks and pbot, pba, tri-met, pmi, pdc, dmi and others. We also have a staff group that's been working closely together for the past four years to implement the various aspects of the strategy. They meet monthly if not more often to coordinate efforts, this level of management and collaboration was not happening prior to 2008. So i'd like to thank the mayor and all of you city council members for your support, and all of the task force members and organizations that put their time and energy into this strategy. We look forward to a lot of good work to come. Thank you.

**Adams:** Thank you. And chair andrews, you have -- it won't be the last time hopefully before the city council -- thank you for your work on this. It's been a pleasure to cochair it with you.

**Andrews:** Thank you.

**Adams:** President mcdonough.

**Sandra McDonough, President, Portland Business Alliance:** Thank you. Good afternoon, mayor Adams, members of the council. My name is sandra mcdonough, president of the Portland business alliance. I've been a part of this task force since 2008. This has been as scott said, a phenomenal public-private partnership that would not have happened without mayor Adams' vision and leadership, and support from all of you. We're very fortunate that we have a mayor and city council that believes that a healthy downtown is the cornerstone of a strong regional economy. Downtown is the face of the city, presenting visitors and residents with an enduring sign of our city's vitality. I always say retail is like the canary in the coal mine. If retail is not healthy, your downtown and your city is not healthy. We have a healthy canary and a great downtown. For this retail strategy, pdc, clean and safe, Portland mall management, the alliance and others have worked together under the mayor's personal leadership to make Portland downtown Portland an attractive destination for employers and their employees, tourists, and residents. And we have to recognize the importance of downtown as the economic center of our city. According to the clean and safe 2011 business census survey, downtown businesses generated more than 5.5 billion dollars in wages. And i'm happy to report that's we're seeing that employment in our downtown core is growing. As you've heard, this project has had many incredible achievements due to our public-private partnership, and I want to highlight a couple. Those banners you saw that brand the new pioneer district were paid for by the clean and safe district. 50 new banners. By the way we were thrilled to give one to the mayor. I was not giving away city property. And in partnership with the Portland development commission, we've also put 15 new big belly trash compactors on yamhill

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and morrison. We've worked with the tsa and others to make that possible. And while other downtowns across the nation have struggled through this recession, many of our downtown retailers and restaurants have actually participated with us in this retail strategy and have grown, and revitalized their presence, including macy's, nike, columbia sportswear, nordstrom, america tile, ruth's chris steakhouse and others. They've remodeled, or moved, gotten bigger and stronger. This is such a critical time for retailers, year over year, holiday sales get stronger and stronger. We've also had tremendous success in recruiting new national and local retailers. We've talked about h&m, and sephoro and others, and we're very excited about the new city target, and apple that will be opening in the next -- in the coming months. And we are phenomenally proud of our pdx pop-up stores. They have brought local artisans into our downtown core, activated vacant storefronts and helped small businesses grow and thrive, and i'm proud to report that we've been copied by many other cities across the country, including new york city and our program, because it's been so successful. These activities would not have been possible without a supportive and engaged retail community, an extremely strong private public-private partnership, and coordination among all the many, many partners. And of course the personal leadership of mayor sam Adams. But I do want to say that it's been very successful, but we can't assume we're done. We need to keep a continued focus on the vitality of our downtown, continuing investing in downtown, and making sure we're staying current with the times, whatever those times are, and making sure that we keep downtown clean and safe and inviting for our residents, our workers, and tourists. Thank you very much and thank you for your support.

**Adams:** Phenomenal work on this with you and your team. Thank you very much.

**McDonough:** Thank you.

**Dave Leland, Leland Consulting Group:** Hi. Good afternoon, mayor and commissioners. I'm dave leland with leland consulting group. Our firm, we're real estate advisors and development strategists. We were retained in 2008 and worked into 2009 with the Portland development commission and the Portland business alliance to examine downtown retail, to build on past efforts. The strategic effort really began in 2002 and as all strategic efforts, it's ongoing today. There's more being unfolding and revealed to us as we go on. Our role, and the context here is we've now been the advisor to over 90 downtowns for revitalization across the u.s., canada, and mexico. It's a core part of our business. So we were retained to look at past efforts to examine the state of retail in downtown Portland, to look at the markets, sales, demographics, other indicators, the role of retail in the metropolitan economy, and what the competition was to downtown and related considerations. So we worked very closely with the task force, which was -- has been identified earlier, with your office, mayor, with pdc and the business alliance. And early observation from our research was the assessment that there were too many organizations working at the same time trying to solve the same issues. And it was having a diluting effect on results. And we reported that to the mayor, and to our clients. And since then, it has become focused, the Portland business alliance and travel Portland have taken an increasingly major role in managing downtown in terms of retail retention, attraction, revitalization, bringing in new tenants into our downtown. So the positive results demonstrate that was the right decision to focus and to continue to do so. Management cannot be understated in terms of running a good, tight downtown. Also as part of this process the mayor asked us in 2009 to look at signature streets across the country to determine the conditions that made them successful, further to evaluate our downtown in relation to those case study findings. So we examined downtown in old pasadena, california, downtown retail core in seattle, robson street in vancouver, b.c., magnificent mile in chicago and the newbury street retail district in boston. What we discovered as we were looking at this was that there was an interplay of factors that made them successful. The quality and number of anchor stores, parking availability, multimodal access, the compactness of the retail district. So there was a continuity of shopping opportunities for the pedestrian. Relationship to other downtown districts, such as the culture

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district, historic districts and so on, shopping continuity, mix of local and national retailers, so there was not the same stores in every downtown, but there was something that had local flavor. Particularly proximity to urban housing and jobs, and I think most important was the strength of downtown management. So what emerged from this strategy with regard to signature streets, and it's been addressed by others, Morrison and Yamhill streets, the multimodal couplet, that forms part of downtown, really is Portland's signature street. It happens to be two streets, But that's fine, that works in other communities as well. So Macy's, Nordstrom, Brooks Brothers, Pioneer Place and some of the other retailers that Sandra mentioned are anchored along these signature streets. They in turn make it possible for the smaller retailers to -- retailers to do business. What was interesting when we did the study, I don't know if the statistics are still the case, but at that time in 2009, 50-55% of sales in the department stores were coming from people from outside the state who were visiting here. And so it becomes a primary driver of activity in the hotels, in the food establishments, and the other retailers. And it's even though it's theater, it is pivotal to the overall economy of Portland. We're still emerging from the national recession as a country. But retail and downtown Portland, I say is by comparison quite healthy. We've moved out of what I would call the recovery stage. We're now in the expansion stage of retail development. Portland and its downtown is really a success story. Based on all the experience we've had. And it will continue to get stronger with committed leadership, with public-private partnering, and with strong and capable management which we believe is in place today. Thank you.

**Fish:** Could I ask you two quick questions, you're the national expert on this. Number one, what's the impact of The Internet on the retail experience looking forward?

**Leland:** I'm not sure I can answer that question directly. It really depends on the product that's being merchandised. Rather than throw out a statistic, I don't know. But I will get that answer for you.

**Fish:** The second question I wanted to ask you is, as we hand off the baton from this mayor to the next mayor, and to the next council, you've identified the successes. And we work downtown, we're proud of what we've seen over the last few years. It's extraordinary. If you had to pick one challenge, the biggest challenge we face, looking out the next four or five years, what would you say that is in order to continue to make progress?

**Leland:** It's the same answer for every town -- leadership. It's continuing leadership. And strong support from both the elected officials and a corresponding partnership with the private sector. I always say if you reach into the tool kit and there's only one tool, it best be leadership. And this council has provided that in the past, and I'm assuming that will be the case in the future.

**Adams:** Dave, you did a phenomenal job of putting the strategy out there. I know in the year ahead it's going to require some refreshing, but thank you for all the research, the inspiration, and the great to-do list.

**Leland:** It was fun, and I appreciate the compliment. Thank you very much, Mayor.

**Adams:** Thank you all very much. Who would like to go first?

**\*\*\*\*\*:** I going first.

**Adams:** Great. Chair Flint.

**Emily Flint, General Manager, Macy's and Downtown Retail Council:** Good afternoon, Mayor Adams and commissioners, my name is Emily Flint, I'm the general manager at the downtown Macy's as well as the chair of the downtown retail council. Macy's participated on the Mayor's downtown retail strategy task force, and I'm happy to testify in support of the efforts of the task force over the past four years. I moved to Portland three years ago, I had not seen such an engaged downtown business community before. I want to thank Mayor Adams and his economic development team at the City of Portland, the business development commission, the Clean and Safe District, the Portland Business Alliance, the downtown marketing initiative, and a host of other partners for turning the task force recommendations into reality. These groups have come together

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to develop creative and effective programs to attract customers and shoppers from the Portland region and beyond. As many of you know, the macy's in downtown Portland would not have been possible without a public and private partnership to renovate the historic meier & frank building into its current facility. Since our opening five years ago we have listened to the local community and are continually upgrading merchandise. Other downtown stores have reinvested in downtown Portland including our new neighbors, nike at fifth and morrison, notable local and national retailers and restaurants continue to open outlets in downtown Portland, including tory birch, tj maxx, who have all opened in the pioneer district in the last month. This newly invigorated leasing activity coupled with the expansion of the downtown marketing initiative programs, from holiday to a year-round campaign, including our favorite event, fashion night out, helps promote all businesses and strengthens the downtown Portland reputation as the premier shopping destination in the state. Visitors from canada and Washington make seasonal visits downtown to enjoy tax-free shopping. When visitors arrive downtown the most noticeable physical manifestation will be in the pioneer district signature retail street of yamhill and morrison. The refreshed environment, including light pole banners, sidewalk planters, big belly solar trash compactors, and permanent news racks. All of these Cadillac improvement was not be possible without the support and -- of the engaged retail community, a strong public-private partnership and coordination among all of the downtown partners. Many thanks to the members of the task force and of course to you, mayor Adams, for your leadership to promote and support the downtown over the years. And to speak to the internet question, we do a survey and jeff might be able to speak to this too, we do a survey and the number one way people in Portland shopped during the holiday was on the internet. So this year some of the advertising will show internet shopping and how boring it is. And how much more exciting it is to come downtown and see the lights, and the tree, and have the downtown experience that you can't get at home. The other thing i'll share with you is that although the online shopping community has grown significantly and continues to be very important to all retail, it has also helped the retail community as a whole. So at macy's specifically, our online business is growing exponentially every year, but so are the stores. And so that's something to keep in mind, that although they are taking business, they're not taking away from the brick and mortar stores.

**Fish:** Just a comment about macy's. I often go online to fine what I want to buy at macy's, check to see if you have a good coupon, and actually go down and physically buy it.

**Flint:** Excellent. Love to hear that. And there will be many coupons this holiday season. [laughter] so keep on doing that.

**Adams:** Thank you for your leadership of the downtown retail council. You've just been a great, smart, passionate supporter of making pioneer district come to life. So thank you.

**Flint:** Thank you.

**Adams:** Mr. Miller.

**Jeff Miller, President, Travel Portland:** I'm jeff miller, president of travel Portland. And if we e don't have something good to market, it's hard to market it. And we're very lucky to have a vibrant downtown. I'd like to speak to the impact of the retail strategy on tourism and the regional draw to downtown. We all know if we don't have a strong retail core we don't have a strong region. And the core of downtown is really the brand of Portland. It's the food carts, retail, culture, museums, the vibrant street scene. That is at the heart of what we are as a city. The as past general manager of saks i'm aware of the importance of that strategy and I want to note I left well before saks closed. It's not my fault. Having more retail strategy -- synergy, it creates an ability for us to market just like bridgeport village and Washington square have a marketing strategy, so does downtown. The vision of the mayor to ask us to come in and leverage what travel Portland was doing on the domestic and international side and really help with the downtown marketing, really gave us the ability to leverage what we were doing with the hotel-motel tax along with what those retail shoppers are paying In their parking fees. The downtown hotels in Portland weren't interested in

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marketing regionally, but they were very interested in leveraging against our programs so when we create things like dining month, we can use those up in seattle and vancouver, and really create that shopper regionally and from a distance. You will see us begin to do more advertising in seattle and vancouver with the tourism and district improvement district funds, and we'll be able to continue to leverage the current dmi program was what we're doing in those. Emily did pull the curtain back on one of our dmi ads you'll see currently, and it's a very cute representation of the person shopping at home and getting them downtown to shop in the vibrant Portland scene. Our board of directors is very pleased that we've been able to be a part of this, and help leverage our resources against the dmi resources, and we were lucky enough to help create the look and feel of the pioneer district, and that's been fun. I'm glad you got a souvenir of that. We look forward to continuing the brand building of Portland with all of these major ways of looking at downtown as the heart of what this city is about, and the brand of what this city is about. So thank you for all of your leadership, and we look forward to moving it forward in the coming years.

**Adams:** You've been, so council knows, you've been our marketing partner on this for How long?

**Miller:** Since 2009.

**Adams:** So it was part of the changes we made in the overall effort, and your ability to leverage the external marketing with the internal really has paid off. And I want to thank you for you and your team's great work.

**Miller:** Thank you.

**Adams:** I move to accept.

**Fish:** Second.

**Adams:** Oh, more than that. I apologize.

**Adams:** Karla, please call the vote on the motion.

**Leonard:** This was an excellent presentation. It sounds like a fabulous plan that's been put together and implemented, and i'm appreciative of being able to support it. Aye.

**Fritz:** I love our downtown. It's such a wonderful place. I visited chicago over memorial day weekend, and was struck by where is everybody? And yet I was in Portland over veterans day weekend, and probably as many of my colleagues did, got angry emails about getting tickets for parking -- not using the meters on monday, and I pointed out, we have sunday meters now, and that was veterans day, and it's a vibrant place every day of the week. And there's so many wonderful stores and experiences to be had in downtown Portland. We need to mention the work of clean and safe that did such a great job of partnering with central city concern and our folks who live outside to make sure it is a safe and clean place for everybody to be downtown, and i've been at many late meetings and -- at city hall or elsewhere and seen folks diligently cleaning up, putting things in the garbage, cleaning the garbage cans at late into the evening. And that is part of what makes a great downtown too. It's knowing that it's a mindful downtown, it's a place where people care about other people. And thank you all for your work on this, and I look forward to continuing to work on it in the future. Mayor Adams you have been a champion of the downtown retail strategy and of this -- the downtown as a wonderful place to be, and I have so appreciated working with you on this. Aye.

**Fish:** I've had the good fortune of living either in great downtowns or adjacent to great downtowns, in new york city, boston, Washington, dc, and poughkeepsie, new york. Ok, three out of four. And I have to say I think we have the most successful downtown of any city i've ever spent a lot of time.

And it pains me to see the disconnect for some of the things I read about on blogs. And on the internet. Because I wonder whether we're talking about the same city. This is a highly successful downtown. And actually I hope as I get older to live downtown sometime. Just to collapse my life, make it as convenient as possible and live and work down here. Thank you to our team for doing a magnificent job. I want to give just a shout out in addition to the private sector participation documented here, I also just want to acknowledge philanthropy that's led to our signature parks,

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particularly director park, which I think has had a significant impact. Were it not for the schnitzer family, and the moyer family we would not have director park. So I want to give them a shout out for their investment. And to mayor Adams who really has championed this from day one, congratulations. It's wonderful to live in a city this beautiful. And this tells us how much hard work has gone into having the downtown that we aspire to. So thank you. Aye.

**Adams:** Well, every single member of council has participated in the last four years in this strategy. I mentioned briefly commissioner Leonard in his work leading the bureau of development services. Getting an international retailer like Nike to go into a challenging historic building is no easy task. And so again, thank you also on Target, that was equally challenging, another historic building that used to be a department store, and we needed to go through some major processing, so really, thank you both for that. Public space forum that commissioner Fritz hosts, she has shown the patience of job and beyond in hosting that and working through on the ground issues for all users of downtown. So thank you for that. And commissioner Fish mentioned director park not only helping to secure amazing amount of private contributions to see a very beautiful plaza built but also continuing to program it and manage it in a way that is integrated with the life of the rest of downtown. That is amazing as well. So thank you all, Dan Saltzman's work with the bureau of development services, started by Randy Leonard continues, thank him. Lisa Frish hasn't been mentioned. Not only does she have great taste in fashion as she points out to me I don't, but she has

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**Fish:** A great sister.

**Adams:** Yes. She's been a tireless leader and last and last and most I want to thank Raihana Ansary, who in my office has been the person really at the crucible of making this all happen. Thank you, Raihana, it's -- I'm very grateful. With that, aye. [gavel pounded] so approved. Please read the next item.

#### **Item 1306.**

**Adams:** Hello, Director Armstrong. What are we looking at here?

**Michael Armstrong:** I'm Michael Armstrong with the bureau of planning and sustainability. The ordinance in front of you would authorize a franchise agreement with the solid waste haulers, and that's essentially the regulatory framework through which garbage recycling and compost get collected at single family homes up through four-unit complexes. The proposed franchise generally would continue that arrangement. There are a few suggested modifications that I'll describe in a second. We think the current relationship that we have, that the city has with the haulers is working quite well. And deserves to be continued. Earlier this year city council directed us to begin a review of this franchise and just for context --

**Adams:** Can you put the mike closer to your mouth?

**Armstrong:** Sure. There we go. Just for history, the residential system was first franchised in 1992, a 10-year agreement was put into place then, it included a reopener at year five to make any modifications that were needed, revisit whether it was delivering and then a new 10-year agreement was put into place. So each time there's been a reopener at year five, that's where we are now. If you were to approve this franchise, it would go into effect for 10 years again with the reopener at five. So that if at any point the city wants to change, the haulers have at least five years' notice. They make long-term capital investment and that gives them regulatory certainty around that. For context, the franchise essentially is the way the garbage gets collected. And so by comparison, in some cities it's municipal employees who do collection, in other places the city contracts with haulers, the system that's been in place here is that franchise arrangement with service territories, by geography, we have 19 private companies that collect the garbage recycling and composting. The intent of that system is to make it affordable, efficient, and enable effective collection across the city. So again, the franchise puts into place the framework for that, this doesn't govern the specifics of the program. So issues about how frequently is garbage collected, what do



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you do with food scraps, those are decisions that council has the ability to make at any time, and we typically do that as part of the rate setting process, but you retain that ability throughout. This is the underlying framework for it. The proposed franchise includes a small number of changes from the current franchise, two of these are small but important. I want to make sure you're aware of them. One change requires the haulers to provide data and financial information to the city, a little bit earlier in the year. And the intent of that is so we can work with the Portland utility review board and have a little more time for them to be engaged in that process. So we're trying to build in an extra little review time as part of the rate-setting process. A second change also addresses the rate setting and this change would allow the averaging of Revenue from recycling over a couple of years. So you may recall the Portland customers receive a credit on their garbage bills for the amount of recycling on average that is collected. And that credit is tied to the market prices for recyclables, and it can be quite volatile. It jumps quite a bit from year to year. This proposed change to the franchise would let us average that over time, so we still would capture the full benefit of the value of the recyclables, but it would be less volatile so you wouldn't see such sharp jumps or drops in the rate. We think it's a little more manageable for haulers and residents in terms of the rate making. There are a few other changes that are essentially housekeeping, i'm happy to go into details if you want those. As part of the initial resolution to begin this, you asked us to conduct a process, work with purb, the haulers, take public comment, we have done those things, and those are reflected in the proposed agreement that's in front of you. I know there's a representative from purb here as well as from the haulers. And i'm happy to answer questions if have you those now, or we can wait for their testimony.

**Saltzman:** The credit for recyclables, that doesn't show up as a line item on our bills.

**Armstrong:** Correct. It's a line item in the rate setting process. As we're developing the information that goes to the rates, as you consider those, you'll see it there as a credit, though in some cases recently it's been a very small credit, because it's really jumped around.

**Saltzman:** Without knowing what the burden would be on the companies to produce bills with sort of a line item, I think it's a great sort of way of inducing people to do more, to know they're benefiting their bottom line, but also doing a great thing.

**Armstrong:** That's something we can certainly look into, and maybe if haulers are here and want to comment on the practicality of that, but I think that intent is --

**Saltzman:** Yeah.

**Adams:** So you'll stick around?

**Armstrong:** I will.

**Adams:** We have invited testimony. We have john gibbon from purb, and whoever else has signed up.

**John Gibbon:** Thank you, your honor. My name is john gibbon, i'm the west side representative from purb. Basically we're here in support of this. We had a subcommittee of purb follow the entire negotiation, and discussion on the reopener. They were actively involved in it, and at last month's purb meeting several proposals were brought to us, and we had quite a bit of discussion about issues that had come up, recommendations from our subcommittee that was being added into this, and we had a good discussion on that, and basically came out in support of this. There were a couple proposals the purb had, a dead-even 3-3 vote on. So that was a good thing, I think, because purb really engaged.

**Adams:** Engaged.

**Gibbon:** Absolutely. Thank you.

**Adams:** Thank you. Mr. White.

**Dave White:** Good afternoon mayor Adams and council members. My name is dave white, i'm regional representative of the Oregon refuse and recycling association. And in that position I represent the tri-county council, which is the local industry association that includes the city's

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franchise collection companies, and i'm speaking today on their behalf. As you know, back in july you direct dps to start the review process, and it's time I testified we were looking forward to working with both dps staff and purb to engage in that review process. And we have since had the opportunity to do that. We've had a number of meetings with pps staff, and we had the opportunity to come to the purb meeting where they discussed the franchise and had an opportunity to provide input. So we really do appreciate that process and opportunity to comment. So the good news today is that we support the changes to the franchise, proposed by pps, and they're included in the ordinance that is before you today. We believe that the partnership between the city and its franchise haulers that is established in the franchise is a cost effective and efficiencies item for providing solid waste recycling and composting collection services to the city's residents. We are proud that our efforts have helped the city implement the Portland recycles plan and make progress for waste recovery and sustainability goals. We ask that you accept the dps recommendation to continue the franchise system, and that you approve the new franchise ordinance. I would like to mention that david mcMahon, I don't know if you saw, was in the audience. He's from cloud burst recycling. He was here to testify briefly for his appreciation also for the process and support for the franchise. He had to leave. So he asked me to convey that to you. And if you have any questions i'd be glad to answer them. Thank you.

**Adams:** Mr. Dewey, welcome back.

**Mike Dewey:** Thank you very much. Mayor Adams and commissioners, mike dewey on behalf of waste management. Let me say that the franchise is a model for the rest of the nation. We compete with seattle and san francisco primarily for who has the best recovery rates in the nation. So that is a testament to what you're doing and what staff is doing. Waste management had been a disposal company. We are now a materials recovery company. In part because of what's happening in the markets in Portland. This franchise allows stability for the customer and for the companies, as it was presented earlier about capital investments to make those over a period of time. There's uniformity, and there's innovation by virtue of the franchise. The franchise allows us to make investments in compressed natural gas facilities we do that in northeast Portland, we now have 22 trucks, 50-plus will be in the rotation, we are now looking at our facilities in Washington county, where we have a hub of about the same number of trucks and looking at the same feasibility. And as you're aware, compressed natural gas reduces knocks by about 35%, actually 50%, and greenhouse gas emissions about 25%. So we get the innovation and we get uniformity and stability by having the franchise. I want to speak briefly to the recyclable change. Those markets, and i'm not directly involved in the business, but I hear from the experts that those markets change considerably over a short period of time in part where the international market is. And the two-year average makes sense so you don't see the volatility and these credits. So I think that is a very good thing to have happen. Last let me say that we Appreciate working with your staff. They are fine people, they are professionals, and they're always accessible. And we do appreciate that. So in summary, we support the proposal before you. Thank you, happy to answer any questions.

**Adams:** Thank you all very much. Appreciate your work, your testimony. Anyone else wish to testify on this matter? All right. This is a nonemergency ordinance and moves to further --

**Fritz:** I just wanted to comment while mr. White and mr. Dewey are here, I so appreciate the partnership with our haulers as the professionalism the way you collaborate with the groups, and thank you very much for all of your work.

**Adams:** We're in recess until tomorrow at 2:00 p.m.

At 3:17 p.m., Council recessed.

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

This file was produced through the closed captioning process for the televised City Council broadcast and should not be considered a verbatim transcript.

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

**NOVEMBER 15, 2012 2:00 PM**

**Adams:** Can you please call the roll? It's thursday, 2:00 p.m., november 15th, 2012. [ roll call ]

**Adams:** Can you please read item number 1307.

**Item 1307.**

**Adams:** I'd like to move the amendment that I circulated prior to this that just adds the -- does not include plastic covered design and used for protecting garments on a hanger. Move that.

**Fritz:** Second.

**Adams:** Any discussion on the amendment? Karla, please call the vote on the motion.

**Fritz:** Aye.

**Fish:** Aye.

**Adams:** Aye. I'm going to save my comments to the end or the discussion point at the end and turn it right over to our sustainability director for the city and the bureau of planning and sustainability, michael armstrong.

**Michael Armstrong:** Thank you, mayor, commissioners. I'm michael armstrong with the city's bureau of planning and sustainability. Last year Portland joined dozens of cities and a handful of countries and approved a ban on plastic bags to support the increased use of reusable bags as well as reduce the thousands and thousands of plastic bags that end up in our streams and ultimately in the ocean. The policy approved covered single-use bags, checkout bags at grocery stores and large pharmacies and that policy took effect in october 2011. The ordinance that adopted that policy called for the bureau of planning and sustainability to report back after one year, and identify options for changes to the policy. Last month we came back and we reported on the experience over the first year and identified some possible policy options. In your discussion of those options we heard quite a bit of support in general for the bag policy, but not a lot of support for requiring retailers to charge for bags as many other cities have done. Based on that discussion, the proposal that's in front of you today would expand the ban to additional retailers, but not make a requirement around itemizing the cost of bags. The proposed expansion would take place in two phasing. For retailers and restaurants that have retail space of 10,000 square feet or less -- 10,000 square feet or more, the policy would take effect march 1, 2013. For all other retailers, including all food establishments it would take effect october 1st, 2013. First it would phase in the larger stores in october all stores would be covered, including restaurants. As with the existing policy, the proposed policy does not restrict bags that are used to protect an item from damaging or contaminating other purchased items. For example, the plastic bags in a grocery store where you get bulk items or produce meats, those things, similarly, it's clarified in the amendment, that mayor Adams just introduced, the intent is not to restrict plastic bags that are on a hanger used as garment bags. If you're protecting clothing in that way.

**Fritz:** Just to clarify also, are plastic bags for takeout food allowed?

**Adams:** Yes.

**Armstrong:** I'm sorry I missed plastic bags for what?

**Fritz:** Goopy --

**Armstrong:** I missed the technical term there. Goopy foods that require protection.

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**Fritz:** Yes.

**Adams:** One thing I would say, we've already given the bureau administrative authority if there is the need for clarification or request from a particular retailer that has a particular unique goopy item, there is administrative authority already to make that decision on a case-by-case basis.

**Armstrong:** That's correct. Based on the numbers we have, we estimate that about 2200 retailers and another 2800 food establishments would ultimately be covered by the policy once it's phased in.

And we will be notifying all of those retailers assuming this proceeds. What the exemptions are, what the process is, and we'll develop rules to clarify anything that requires additional explanation. So I know there are quite a few people here who are interested in testifying. I'm happy to answer questions now or I can come back at the end.

**Adams:** Can you stick around?

**Armstrong:** Of course.

**Adams:** Great. Let's go to testimony. How many people have signed up?

**Moore:** 15 people signed up.

**Adams:** Ok. Let's do it.

**Adams:** Welcome. You brought a visual aid. Mr. Parker, would you like to begin? It's always good to see you.

**Terry Parker:** Thank you. Terry parker northeast Portland. On the table is a slop bucket that was dropped off at my residence at the time of the changeover to biweekly garbage service. This foreign made and inferior quality single-use plastic bucket has sat a few feet from my garbage can since then. Instead of sending it off to the landfill, where plenty of these buckets are likely to end up. I decided to bring it back to the originator. Consider it an end of term parting gift. Than like --

**Adams:** I'll take it. Thank you.

**Parker:** You're welcome. Unlike the slop bucket, the whole concept of calling plastic bags single use is pompous propaganda. A highly marketed political spin that is a lie. One study indicated 90% of households reuse them for one purpose or another. After my dad passed away in the late 1970s on a shoestring budget, my mother traveled all over the world, something shed wanted to do since she was a girl. Just about everything was wrapped in plastic bags. I don't go that far, the majority of the multiuse checkout bags I receive are reused in some manner. Yes, some are used for garbage bags instead of heavyweight plastic black plastic garbage bags. The resale industry also knows the value of these plastic bags. Reusing other retailers' bags at their own checkout. Likewise, new plastic bags cost less, take up less storage space than paper bags and consume less energy to transport. I also know of people who get in their car fuel up and routinely drive outside of Portland to do their shopping because of the plastic bag ban. Elected officials in a democratic society are theoretically the servants of the people, not dictators to the people. Yet in Portland the current direction caters to and dictates the mantra of special interest agendas rather than representing the mainstream populous and silent majority. The premise of the plastic bag ban directly takes this backwards approach, extending the ban will increase the burden on businesses and hassles for customers. In reality, it is dictatorial social engineered policy along with costly government controlled price fixing. It also clearly demonstrates Portland city government does not have a clear understanding of customer service or business to consumer rapport. The current trademark of Portland is one of implementing costly special interests socially engineered agenda, not as a affordable self-sustainable city. Banning plastic bags is a socialistic dictatorial dynasty type decision ramping up a recycling program would be better, would be a better fit than the current bag ban. Thank you.

**Fish:** Can I clarify something? Are you here speaking for yourself or the northwest groceries?

**Parker:** I am here for myself. I apologize I didn't give Karla my written testimony. I was thinking more about your gift.

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**Adams:** And you are correct, it's foreign made, do you know where it's made?

**Parker:** Canada.

**Adams:** That's right. Hi. Welcome.

**Stiv Wilson:** Hi. Hello to city commissioners, mayor Adams. My name is Stiv Wilson, I am the communications and policy director for the Five Gyres Institute. We are a nonprofit organization that sails to all the world oceans documenting this problem firsthand. I presented the clerk with a sample from the North Pacific Gyre. I would love to have passed around to see what we're talking about firsthand. If we talk about beaches, 11% of the garbage that is found on beaches and in watersheds are plastic bags. If we talk about what's in the ocean itself, high density polyethylene and polypropylene are the two most common types of plastic in the ocean. I personally sailed 30,000 nautical miles, documenting this in places where no one else in the world has. I just completed a 1400-mile bicycle outreach tour on the east coast touting the Portland bag ban. Trying to get our east coast cities to look at this issue a little more seriously because of the population densities. And what I noticed is in places like Baltimore, Maryland, you have filthy cities, and if we want to talk about business, and we want to talk about why business comes to Portland, it's a quality of life. Oscar Wilde said of his times that people know the price of everything, and the value of nothing. And I think that is true here and looking at Baltimore, when there was a rain event, I did a clean-up in the Herringwood watershed. 2,000 plastic bags shredded 10 feet high in trees in a half mile stretch. This is coming from a neighborhood that is the fifth most violent in the country. Pollution is a symptom of poverty. There is no business here to be done, and there is no business to be done on a dead planet. I live in Portland because of our sustainable policies. I represent a fraction of the grass-roots movement here in Portland that brought this to your attention. This is not a dictatorial ask. This is the culmination of five years of grass-roots activism, the same thing frankly that made the United States the United States. So I am here as an expert before you, having seen what plastic does to our animals, what it does to the food chain, by absorbing pollutants in the environment, and 9% of the fish in the Pacific Ocean that serve as the base food chain fish for our fisheries' economies have ingested plastic. So when we get to the point of looking at one very low-hanging fruit, I say let's expand the bag ban and let's do what we said we would do last year.

**Adams:** Thank you very much. You hit it right on three minutes as well. Extra points for that. Hi welcome.

**Luke Mathers:** Thank you. Luke Mathers, a small business owner, Truce Design. We make a lot of bags out of reusable -- material that would otherwise be discarded. Dry suit fabric and sail cloth. Stuff that would be getting thrown away that is made out of durable plastic, basically. I wanted to speak to the interest of business, in that it would be good for business locally because encouraging more people to use locally made reusable bags would be better and expanding the industry locally of people wanting to manufacture reusable bags here. The best way to encourage that I think is to encourage people to reuse the things they -- sometimes people who don't start using -- I'm losing my words.

**Adams:** Happens to me all the time.

**Mathers:** Sometimes the only way to affect -- effective social change is to just do it and get people to start using it that way. And join all the other industrial nations that have banned it nationwide, and -- yeah.

**Adams:** Thank you. Where could someone procure, do you have a website or URL?

**Mathers:** [Trucedesigns.com](http://Trucedesigns.com).

**Travis Williams:** Mayor and commissioners, my name is Travis Williams and I'm executive director and river keeper for Willamette River Keeper and I appreciate the opportunity to lend our support to the expansion of this bag ban effort in the city of Portland. And I appreciate the fact that you guys are hearing this again and I want to applaud Surfrider and Five Gyres and all the other folks who have really been pushing this over the last few years. In terms of my organization, Willamette

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river keeper and many of our trips over the years, we have seen really just a ceaseless stream of plastic bags in the riparian zone of the willamette, its tributaries, in my paddling of other rivers around Oregon, the same thing. It's a ubiquitous problem. You find the bags floating in the water, on the beach, you find them as I said in the riparian area along the river, and I think this is something that makes a lot of sense. We've become all too used to many of our wasteful habits over the years, and this is a big one. Whether you're looking at plastic use for groceries and Other products. So I think -- I encourage you to pass this and I am also supportive of a fee. I think that makes a lot of sense to monetize really the costs of any bag that you're using, whether it be paper or otherwise. So I appreciate the opportunity to provide these comments, and again, willamette river keeper supports this expansion effort.

**Adams:** Thank you, sir. Thank you all very much.

**Adam Dunn:** good afternoon, my name is adam dunn, an owner of saver soup house. Thank you for having me today. I'm here with my friends from surfrider to help support the cause to ban the single-use plastic bags. I have heard there's some retailers that are strongly opposed to the ban in favor of a free market solution. When I was reading this over the past couple days, I was looking at it and thinking this is a perfect example of an -- where the free market solution is not necessarily in our benefit in the end. Plastic bags are cheap, they're an easy solution, it's what we've always done, it's certainly viable to continue that way. But I think that at this point we've realized that they are a huge detriment to us. They're ending up in the rivers, water sources, out on the coast, and I think this is the perfect role for government to step in if there's a consumer driven response. Or a consumer-driven initiative. I do appreciate that this is brought to the attention by the consumers as a business owner I personally, my biggest pet peeve is packaging. And I hate paying for it, I have to pay for it because people don't always come with their own packaging. But when people do, I appreciate it, and I will continue to buy the packaging that our consumers want. We have not had plastic bags because it seems like over the past year with this trial run, people have learned that we do not need to use the plastic bags. And I think we are an adaptive group that is fully capable of making use of other packaging items. That's what i've got.

**Adams:** Thank you very much for your testimony. What do you sell exactly, or make?

**Dunn:** Savers soup house. We do business lunch, 10th and alder.

**Adams:** Where can people go online to learn more?

**Dunn:** Saverssoupouse.com.

**Adams:** Thank you for being here. Welcome.

**Rhett Lawrence:** Thank you. Good afternoon mayor and commissioners. My name is rhett lawrence, the vice-president of recycling advocates. Formed in 1987, it's Oregon's only citizens-based grass-roots group dedicating to creating a sustainability environment. Thank you for the opportunity to testify today on behalf of recycling advocates and our Members. Recycling advocates would first like to thank city council for taking on this issue last year and for setting Portland on a path to reduce the use of plastic check-out bags. We support the city's effort through your policy efforts and bps staff outreach and tabling efforts to increase the number of reusable checkout bags used in our city. We are grateful that city council's returned to this issue and is considering expanding last year's ordinance. But we believe the city is not going quite far enough in the expansion being contemplated today. R.a. believes in the solid waste management hierarchy of reduce, reuse, and recycle in that order. Our efforts are focused on waste reduction first, in this case promoting and increasing the use of reusable bags. R.a.'s position backed up by the real world experience of other cities and states is that the most effective policy to increase reusable bag use is to address both paper and plastic bag use. What we have seen working well elsewhere is something very similar to option three from the report that bps presented to you last month. We believe the best approach to this issue is one that bans the use of plastic bags at the check out and places a fee on the use of paper checkout bags. Such a policy would help motivate consumers to remember to

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bring their bags which obviously is the ultimate goal, And although the bps report from last month -- the bps report showed an increased use, many consumers switched from one product to another as paper bag uses have increased nearly 500% during that time. Obviously both paper and plastic have an impact on the environment. As bps noted in its report when a nickel fee was placed on a single-use checkout bags in Washington, dc, the use of those bags, plastic and paper, decreased by 80% in a single year. The report further notes many cities up and down the west coast including eugene and corvallis that have banned plastic bags and add a fee to the bags have added a fee to those bags for the simple reason it is the approach that works best. Recycling advocates is supportive of the city council's intention to expand the plastic bag ban, but we must also note this should not be viewed as the final solution to this problem that will be incumbent on city council to revisit the issue if we truly want to put a real dent in the use of single-use checkout bag and increase the use of reusable bags in our city, we need to join our neighbors in eugene and corvallis and implement something resembling option three from the bps report and we need a strong across the board educational effort to accompany that policy. And we're happy to help out in that effort. Thank you.

**Adams:** Thank you very much. Really appreciate it. Mr. Cosgrove.

**Paul Cosgrove:** Thank you mayor Adams. Members of the council. Paul cosgrove representing the american forest and paper association and its renewable bag council. The council is sending information to each of your offices and i'm going to briefly summarize that and add some additional detail. The paper bag is a recycling success story. Not only are paper bags made from recycled paper they're highly recycled here, and one of the unique facts about the paper bag situation in the city like Portland is that recycling loop, that circle is very, very tight and very, very small. Paper bags are collected in our curbside programs here, they are -- go through facilities that are separated from other sources of paper and other recyclable products in the city and nearby suburbs. They are pulped within miles of the city and brought back to a suburb to be made into new bag and brought back to the retailers. So it's a very close, very efficient recycling system for paper bag in this city. And the rate of recycling nationally is about 50%. We don't have exact data from Portland, but we expect it's much higher here. So paper bags come from a renewable resource, they are part of our sustainability of use of natural resources, the issue that I wanted to add a little detail to is your bureau had to rely on information from trade association regarding costs for retailers about the switch from paper to plastic to paper. We actually have exact data about sales to those various retailers citywide, and I can tell you that the sales volume has not gone up anywhere near 500% since the city implemented the plastic bag ban a number of months ago. And that we believe the costs that have been reported to you don't take into account the savings that occur actually from the nonpurchase of plastic bags, and when you take those two factors into account, it's a lower volume of increase of our business by far than it has been reported to you. And the savings that offset that in fact a number of retailers actually probably are saving money, and the reflection of that is there were a number of retailers who switched from plastic to paper before the ban, and they did that not only because of environmental benefits of paper over plastic, but because they thought it was a good business decision. So I would be happy to answer any question, but thank you for the opportunity.

**Fish:** Could I follow up on that one point? I've been interested in that data too, and my understanding that over 40% of grocery stores in Portland had already moved to paper bags prior to the ban. Is that roughly the statistic you have?

**Cosgrove:** Commissioner Fish, I have the exact numbers here, and I think it is about 40%.

**Adams:** Thanks in large part to fred meyer's systemwide change.

**Fish:** And fred meyer did it based on environmental concerns and they were ahead of the curve. Because you cited the data, and trying to get a fix on the true measure of the cost, can you explain

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briefly the difference between the assumption that there's a one-to-one bag ratio versus a three-to-one?

**Cosgrove:** Yes. I think it's something all of us would recognize if we went to the grocery store.

**Fish:** In plain english, too. I want to make sure I understand it.

**Cosgrove:** If you are loading your own groceries, having one of the clerks load them for you, you will notice that in fact the amount of weight that can go in -- and volume that can go into a plastic bag is much smaller than that which can go into a paper bag. And based on studies of watching people do this over the country, the general ratio that everybody agree assist pretty close to accurate in all circumstances is three-to-one. It takes three plastic bags to hold the same amount of groceries as one paper bag. That's why one of the reasons that as you eliminate plastic you eliminate three times as much plastic as you do in terms of using paper, even fits a one-to-one substitution.

**Fish:** Thank you.

**Adams:** Can you push that -- You got it. There.

\*\*\*\*\*: Am I on?

**Adams:** You are. Welcome.

**Laura Weiss:** Good afternoon. My name is laura weiss, thanks for the opportunity to testify. I'm the finder of go box, a service for the downtown food carts so they can provide a reusable to go container for their customers. It's a business that's been in existence for about a year and a half. I just thought I would stop by and --

**Adams:** You're an award-winning business.

**Weiss:** Yes. Thanks to the city for that. And I thought my experience with this business might be instructive as we talk about getting rid of systems. So -- systems. About 12 -- single use items. About 1200 people signed up to use go box, and approaching 60 vendors have signed up. And we've eliminated the use of over 11,000 disposable to-go containers, all from downtown Portland. And the good news is it's not just for food carts anymore, there's other brick and mortar takeout restaurants that are now using go box as well. And my feeling on this is that people in Portland want to do the right thing, and everybody wants their food to go, everybody is in a hurry, it has to be convenient, and go box offers a solution for people who can say, I can get my food to Go, I can still take it where I need to go, but without using this disposable container. And so it's rewarding to see people wanting to do that. And the other thing I see that's happening is that when people take their meal in a go box, they carry it in their hand, they don't get a plastic bag. And when i'm downtown at the food carts I see a lot of people walking around and a lot of people who get their food in disposable containers are carrying it in a plastic bag. So there's an additional sort of bit that happens with people's -- the change in that behavior. And that's what we're talking about here, is a change in behavior. Just to finish the story on go box, people sign up and they get their meal in a reusable container, return it to a drop site, they get a token and use the token for a new container. Go box picks up the used commercials, cleans them and returns them to the vendor all by bicycle. So i'm here to say that we -- I support this ban. I think that it's a way to even the playing field so that a vendor does haven't to make the decision to do the right thing, if it's just not allowed, then everybody is going to dot right thing, and over time people will learn to bring their own bags, and I would also say that I think that a fee does make sense, because that's going to be the stick in addition to the carrot that's going on here, that will help people remember their bag. And it will also help to defray the costs of the paper bag for the convenient do, particular it will small vendors who have to pay a bit more. So thank you very much.

**Adams:** What's the url?

**Weiss:** Goboxpdx.com.

**Adams:** And you won sustainability award from the bureau of planning and sustainability. A great business.



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**Weiss:** Thank you very much. The good news is that folks in other cities are interested in doing go box in other cities, so hopefully they'll be go box san francisco, or go box l.a. soon.

**Adams:** That's awesome. Congratulations.

**Weiss:** Thank you.

**Adams:** I know i'm going to get in trouble when I say this, but the best chicken -- how do you say it?

**\*\*\*\*\*:** Chicken steam buns.

**Adams:** The best chicken steam buns in Portland.

**Brannon Riceci:** That's an excellent plug to be getting, appreciate your requesting me to come here to testify. My name is brannon, i'm co-owner of boke bowl in southeast Portland. I am just here to provide some more I guess anecdotal information about -- we just started -- it will be our one-year anniversary next week, so we're a brand-new restaurant, and lots of decisions to make when we were first getting going. We talked about plastic bags versus paper bags, very briefly. I just personally wouldn't have used -- if I was just letting my heart decide what the right thing to do was, I wouldn't have used the paper bags, but sometimes you make compromises for your business, so I just looked at it and tried to figure out what the best thing to do was, and for me, we do a lot of to go business, and we do probably the most difficult type of to go business, we're a ramen restaurant, primarily. We've got people carrying soup which had us a little worried about using paper bags. So it was a business decision that went sort of against my opposition to using my opposition to using the plastic bags. I don't think the money was really an issue for us. We just wanted function. For us a year later doing lots of bags, the paper bags have not been a problem for us in the least. We haven't had any problems with just as far as functionality of them goes, costwise it hasn't been a problem, and we're definitely doing a reasonable volume obviously we're not fred meyer, but we're still using plenty of bags, and we do make efforts whenever we can to not use a bag at all. And I just wanted to add that if -- even if I did the numbers and sort of decided I needed -- that plastic bags made more sense for me somehow, I don't think my clientele would agree with that. And I think I would probably get into a bit of trouble with my clientele. So going back to the business decision aspect of the whole debate of what type of bag to use, it seemed pretty obvious to use the paper bags, and so far it has been the right decision. And back to the volume issue as well, we would not be able to get as many orders, as much of an order into a plastic bag as we're able to get into a paper bag. Additionally we do have -- we call it an ecocharge, but to be honest, it's just money to help offset our expenses of 50 cents per order. If the order is \$100 order, it's 50 cents, and if the order is a \$10 order, it's 50 cents. It's just something there to help us out a little bit and no one has flinched about that fee. So if the fee issue is still on the table in the future at some point, again, anecdotally only, it has not been a problem for us. Thank you.

**Adams:** Where's your restaurant?

**Riceci:** Southeast water avenue right just north of omsi.

**Adams:** Great place. Portlanders should check it out. Thanks for being here.

**Riceci:** Appreciate it.

**Sarah Higginbotham:** My name is sarah higginbotham, i'm the director for environment Oregon. Here today to represent the thousands of members we have here in the city of Portland. I'm going to use some of my time really quick -- [inaudible]

**Adams:** Are they for particular people or any of us?

**Higginbotham:** They going to any of you. Those represent the thousands of petitions we've collected since I last saw you on october 10th, I believe. Within each bag are thousands of petitions. They're signed by students, local Portland students who also were able to talk about the issues. I wanted to make sure those got to you. You'll also notice they're in a reusable bag.

**Adams:** And they're artistically decorated.

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**Higginbotham:** They are. Those are scenes the students in Portland hope the ocean would look like. I'm here today to voice my support of the proposed expansion of Portland's plastic bag ban. As presented. That would include all retailers and restaurants. This policy as we've hopefully made clear will help protect our waterways and our oceans from plastic trash, an enormous problem that only continues to grow and has been growing rapidly in the last few decades. Over the last few months environment Oregon has set out to talk with thousands of Portlanders door-to-door on the phone and on the streets and that's what we've done. Alongside our coalition partners, surfrider, we've set out to talk with small businesses, some of those folks are here today. And dozens of those businesses have signed on to support. In a small amount of time the response has been overwhelmingly positive both from citizens and from businesses. And we know folks are excited that this decision is before all of you today. I want to again just applaud and thank you for taking action. Last year in 2011 to take these first steps not only obviously as plastic bag drop use, but reusable bag use is up. And we think Portland should continue to be a leader on this issue and we urge you to vote today to -- or soon to approve this expansion. I can sum it up pretty simply -- we had a press conference prior to this where we put the bag monster on trial and sent him on his way after presenting these petitions, and he said it pretty well. The problem is just too enormous and the solution is just too simple to wait any longer. So thank you so much.

**Adams:** Thanks for your work on this. Appreciate it. Welcome.

**Brandon Hill:** Good afternoon. My name is brandon hill, i'm the director of operations for bamboo sushi. We have two restaurants, one on southeast 28th avenue and pine street and one off northwest 23rd at kearny. I'm here to represent and put our support behind the plastic bag ban. We do about 450, 600 people in a day and 10% of our revenue is placed on to go orders. Since we have opened about four years ago in southeast Portland, we have used fully renewable and biodegradable to go packaging for all our to-go orders. This has been very well received by the community and often appreciated that we take the extra steps to source these items and provide them for our guests. We also do have a fee associated with our to go orders for the cost to help recoup the costs of our to go packaging. Since it is fully biodegradable it gets more on the expensive side, we have a \$2 fee associated with every to go order. It does not alter depending on the size of the order. We have had a number of guests that commented on it and they do appreciate that we take the steps and we have had very little backlash from the fee. So that is still on the table, we'd like to throw our support behind that. I hope you make the right decision and support the ban.

**Adams:** You mentioned you have your restaurants where again?

**Hill:** We have one in southeast 20th avenue and pine street and one at northwest 23rd and kearney. And bamboosushi.com is where you can find us.

**Adams:** Thank you very much. Welcome.

**Tracey Read:** Hi. Thanks for letting me speak today. My name is tracy read, i'm the ceo of plastic free seas based in hong kong. I'm visiting Portland to look at sustainable business policies here to take back to hong kong to see what we can do. We've got some of the most polluted beaches and -- that you could probably ever see, and most of it is due to unregulated single use and disposable plastic use. In 2008 hong kong introduced a plastic bag levy to the big supermarket chains, and one of the big things that we found from that was it got people changing their behaviors, thinking about if they actually needed to take a bag at all. We don't have paper bags in hong kong. It's bring your own or pay for a plastic bag, or nothing. And it has cut down a lot on the plastic bags that we've seen on the beaches, but we still do see a huge amount of litter as a result of this partial ban. Thank you.

**Adams:** Thank you for being here.

**Fritz:** Mayor, I have a question for sarah. The postcards you just gave us, are they all different or does each one have a set of the same?

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**Higginbotham:** I divide them all up. We at environment Oregon got all the petitions. So each of you have a different set. I didn't copy any.

**Fritz:** Thanks. Karla I'm going to need some advice from the city attorney as to how we document the public input. Thank you.

**Higginbotham:** You're welcome.

**Adams:** Thank you and what was the name of the organization?

**Read:** Plastic free seas.org.

**Adams:** Thank you. Next four.

**Joe Gilliam:** Thank you mr. Mayor. Commissioners, good to see you today. I represent the -- joe gilliam, northwest grocery association. Right up to mr. Cosgrove's testimony we were against the paper bag ban, but we may be changing our minds now. Give him a hard time on his data.

**Adams:** We hear different Points view all day long.

**Gilliam:** We're good friends. We're in favor of moving forward with what's been proposed on the ordinances. The expansion to the other retailers creates a level playing field, something we advocated the first go round when it was brought before the council. And that very early on five years ago whether we talked about any type of ban that it should apply to all businesses equally or not apply to all, and you made the policy decision to move forward, so it should apply to all others. I think you've done a good job in terms of phasing it in. Small businesses love concern with inventory they have bought, many times we go through that inventory rather than just dump it. So I think that's a thoughtful approach to help them in the long run. And we appreciate the opportunity to bring back and talk about the nickel, because I think you're going to see more data as we go further from eugene from corvallis, from seattle, that's going to give you a better idea of the cost. Mr. Cosgrove's numbers aren't accurate, at least for the grocery stores I represent, it's about two plastic bags to one paper bag, so the simple math is about two cents is exchanged in for the cost of five to seven cents. It's higher if you have handles on the bag. So for other retailers, that pushes the cost up. So it does cost us, there is no savings from going from plastic to paper. Paper is -- has not been a target for us and we are not for paper bag ban. We are not for an excessive fee that's above the cost of the bag. We're just trying to mitigate costs. Paper does not bring to it the problems we associate with the plastic. And the litter issue being the biggest, but -- and the industry of plastic not stepping up with some type of other answer to litter, to the recycling, other than to push it off on the retailers. So I appreciate you supporting the ordinance before you.

**Adams:** Thank you. Welcome.

**Kevin Tocke:** Hi. Mayor Adams, city council members, thank you. Kevin to be, a surfrider member, also a small business owner here in Portland that produces surfboard bags that turn into chairs. I'm also deeply concerned about the impacts we place on our planet and our community present and future. I want to be part of a community that shows that we care, that we don't succumb to world of mediocrity and a wasteland of plastic choking the earth. I'd like to tell you about my initial thoughts and foray into the plastic argument. It's a simple one, and i've heard it initially for more than a few people, and it was their first thought, and it's kind of trivial, but it had a negative attached to it. And that's not the trig -- not the trigger or response that drives thought and action and direction on a topic. And so what it's really about is often the alternative or taking it away. And the alternative comes from education and action, and that's a bit of what we're about. We do at surfrider. Back to the trivial point, I call it the dog poo test. I kind of thought it was oh, my gosh, I use these bags all the time to pick up, you know, dog poo. What am I going to do? If they aren't handed out at the grocery store? If they weren't, I probably wouldn't take them to begin with. And I kind of stopped using bags a long time ago, but every time you pick one up, ok, I have it, i'll use it. And then I started looking around and you've got potato chip bags, veggie bags, cereal bags, and like one other small business was talking about packaging. There's packaging everywhere. I have actually told my manufacturers that were shipping my bags in plastic bag and putting them in a box,

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that I don't want the plastic bags. So there's plenty of bags out there. You just have to open people's eyes and it's through education, and direct action that they become aware of what their alternatives are, and the problems that the plastic bags are causing. So what I think it's about, it's about lessening the burden of the way of life that our society lives, and it makes the bags that much more valuable that are already out there. For a fender on my bicycle, if you look at my bike, it has a fender made out after cardboard box and plastic bag. Lastly i'd like to say i'm in favor of a fee for paper bags because I think people understand a fee. And if they're hit with something, they'll think twice about doing it. And i'd like to say thank you for your time and I appreciate it.

**Adams:** Thank you. Welcome.

**Tara Gallagher:** Hi. Thank you for letting us come today, mayor Adams, and city council. My name is tara gallagher, i'm a volunteer with the surfrider foundation and a vice chair on the board. I'm here in support of this expansion, we've come before you many times before. As you know, we have been working on this issue for nearly five years in Portland. During that time we have reached out to thousands of Portlanders and hundreds of businesses. We've really made sure this issue has been discussed and vetted. And I can tell you from being out there and talking to people, there's tremendous support from our community for this expansion. Our group has advocated for a more comprehensive policy. That would include a pass-through cost on paper bags and as was laid out in the Resolution, that this council pass in this summer of 2010. We understand that this is a huge step forward, expanding the ban on plastic bag assist a great step and we're going to reduce plastic bags in our waste extreme by millions and millions of bags. So I want to commend the council for coming back and reconsidering this. I don't want to underestimate the success of the original ordinance that you passed last year. We've seen I think the numbers are 50 million plastic bags being removed out of our waste stream. That's just a number that I can't even fathom. We had a pile out in front of city hall earlier of 500 plastic bags as these bag monsters are wearing here. That's just 500. Imagine what 50 million looks like. So it's been a tremendous success. And we thank you for taking that step. And the success is also seen that it's rippled throughout the state. Portland was the first, but we've seen ordinances passed now in corvallis, and eugene, there's been discussions in newport. So we've really seen your leadership has put this issue in a lot of other places. Surfrider is in support of the expansion, and we look forward to working with you more on bag policy in the future. So thanks again, and I hope that you will pass this expansion.

**Adams:** Thank you. Newport better do it. That's where I grew up. Thank you all very much. Questions from council for staff?

**Saltzman:** I do apologize, I missed the first few minutes. If i'm asking a question that's already been answered, tell me to shut up. The definition of what's covered here under single use plastic checkout bag is a nonhandle bag used to protect a purchased item from damaging or contaminating other purchase items when placed in recycled or reusable bags. What is that, is that a produce bag when you go to the store?

**Armstrong:** That's a good example. Produce bag, maybe a bag you put bulk items in from the bulk section. Something that's protecting meat.

**Saltzman:** Fresh vegetables.

**Armstrong:** Exactly.

**Saltzman:** Ok. Those are still allowed. It doesn't matter whether they're placed in a recycled paper bag or reusable bag, they're allowed.

**Armstrong:** They are allowed, yes.

**Saltzman:** Ok. And then the public outreach, particularly with respect to the retail community, I know the mayor's talk to some people, but if you could run through real quickly, again, fits already been covered --

**Adams:** We can do it again.

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**Saltzman:** Real quickly, run down sort of the retail outreach that's been done around this retail small business.

**Armstrong:** Sure.

**Fish:** Why don't you start with southeast and hawthorne and go west.

**Armstrong:** My understanding is mayor please correct me, you spoke with the small business advisory council as well as the downtown retail council, and then a handful of individual retailers, and that was the primary vehicle for feedback on this.

**Adams:** Moving forward will be emailing every tranche. In the first three months it's mostly the bigger stores, so they tend to be multistate stores that already have gone through this in one of the other communities, san francisco or seattle. That's in the first three months, which is what we did for the first tranche, which was three months' notice. If they need to petition for an exception, they have the ability to do that and we've already given administrative authority to grant those exceptions. And then nine months out is when the next tranche happens, and we'll be again mailing ahead of time probably twice as we go from probably once for the three months, and then twice for the nine months, and again offering people a place to call and contact if they need an exception, because they have their small business, their volume isn't very great and they have two years worth of plastic bags, those are the kinds of exceptions we've granted in the past.

**Saltzman:** Small business advisory council, do they have -- you spoke to them today? Have a position, or just --

**Adams:** Neither one -- neither the downtown retail council, nor the small business advisory council took a position on this. Either for or against. Their questions to me were on other issues after I presented --

**Saltzman:** Ok. Thank you.

**Adams:** Please call the vote.

**Leonard:** I am pleased to be able to vote in support of this. But I think as has been demonstrated by the testimony, particularly from the gentleman that sailed around the world and we have a person here all the way from hong kong, this serves more as an example of what not just the metro area should do or the state, or even the united states, but really what countries around the world need to recognize is a major source of pollution and beyond that, hazardous waste for aquatic life. And so I look forward to the efforts of those that were here today in helping using what we do here today as an example of what other communities around the world need to do. Aye.

**Fritz:** Thank you all for being here today. Especially those who took the time to get 500 plastic bags adorned on them. I won't be able to respond to the 341 emails I received yesterday or all of these postcards. I do appreciate the public input, and i'm glad we're moving forward with this. Aye.

**Fish:** I support expanding the plastic bag ban, and further reducing bags in the waste stream. I appreciate all the testimony today, and the consensus that this is the right next step, it appears thoughtful and measured. And down the road i'd like to -- i'd like to know more about the data, because I think we made some progress, we're now off of one-to-one, it's between two-to-one to three-to-one. I'd like to see that data six months from now and testing some of those assumptions. But mayor Adams, congratulations for your leadership on this and i'm pleased to vote aye.

**Saltzman:** I am pleased to support this proposal before us to ban plastic bags. I think many in this audience know from the previous discussion we had on this I was a little concerned about a fee on paper bags for a variety of reasons. But this leaves that fee maybe for another day, or maybe not at all. I think that getting rid of plastic is a good thing. I'm not persuaded that putting a fee on paper bags, which is something we do well here, we grow trees well, we make paper here, it creates jobs. It's recycled bags, and doesn't use bleach. So for those reasons, I think it's important to support something that keeps people employed in the northwest. That's why my concern about that. But I am pleased to support this. I think it's important to keep Portland in a leadership role, And I

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believe that Portlanders will rise to the challenge and will adjust by october of next year to a plastic bag-free retail environment. Congratulations, mayor Adams. Aye.

**Adams:** My thanks to the city council for approving this in a unanimous manner. Northwest grocery association, environment Oregon, the paper producers, the surfrider, and I just want to call out, you mentioned some of the stores commissioner Fish that did this before they had to. Including new seasons. Which started out that way. But fred meyer making the change was big. Very, very big, and I just want to underscore my thanks to them for being a great Portland company. And then lowe's has gone paper about six, seven months ago before they had to. So businesses doing it on their own deserve special recognition in addition to everyone that testified, thank you. I want to thank Raihana ansary in my office and lisa libby as well, who have worked hard on this project for years. Aye. [gavel pounded] so approved. We're taking a five-minute break.

**Adams:** City Council will reconvene from its recess. It is still wednesday, and it is still -- sorry, it's still thursday, 2:00 p.m. We're in the 2:00 p.m. session, november 15th, 2012. Can you please read the nonemergency ordinance item number 1308.

**Item 1308.**

**Adams:** Yesterday city council adopted an accountable u.s. Department of justice negotiated agreement that must produce real results and further reduce the city's use of force by our Portland police bureau. Today we're looking at a utility license fee update that will create new revenue, that we can use to implement police reforms and provide mental health and addiction treatment through the service coordination team on an ongoing basis. That's my legislative intent. To be clear, I cannot tie the hands of future city councils, but I said that I would find a revenue source to fund the agreement that we have concluded with the u.s. Department of justice, and this is the way I propose to do that. This code amendment will create a more equitable tax structure across the land line telecommunication companies in Portland. This is a reform to an existing tax. Some have argued that I should have also imposed a cell phone tax or proposed the imposition of a cell phone tax. That would be a new tax and i've not chosen to do that because I think the political lift involved with that requires more time and more effort. But this code amendment, this inequity among land lines has been as we will hear from marybeth henry in a minute, has actually grown historically, grown to come to be as our land line taxes on integra telecom and comcast were updated. It needs to be closed. Currently the city charges varying rates on land line telecommunications providers, 5% of gross revenues for companies like our hometown integra, and comcast, and 7% of local exchange, the basic land line which is a smaller revenue base for companies like centurylink and frontier. The ordinance establishes a uniform tax of 5% across all land line telecommunications providers, and for me, it's about simple fairness. Mary beth henry manager of the office of community technology will provide additional information about what that costs. Following that, staff presentation, i've asked clay neal and the chief and others to then also, because of discussions yesterday, to present what the budget is, the estimated budget is for implementation of the doj agreement. It costs roughly by omf and police bureau estimates, about 5.3 million to pay for new civilian mental health professionals, better training, police conduct investigators, including an internal affairs and also at ipr and the auditor's office, and again, my goal is to put ongoing funding as the basis for continuing the service coordination team. So with that, mary beth henry, would you please explain in greater deal what's in front of us.

**Mary Beth Henry:** Thank you, mayor. Commissioners. We're here today to take a first step in addressing an inequity in the city's utility license fee code. The utility license fee impose a tax based on gross revenues of utilities operating within the city. This is a fee that is imposed on the utilities and not on their customers. However, realistically, the utilities pass these fees on to their customers. I think it's also important to note the utility license fee is a tax for the privilege of doing business in Portland and bears no relationship to the right of way. I think we can all agree the phone business has changed since the code was adopted. For one thing, there is competition in the

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wire line telephone business. There are currently 213 land line telecommunications providers in Portland, ranging from a very, very small, to very large. All of them subject to the utility license fee. Of these companies, two providers, centurylink and frontier, pay 7% on a smaller revenue base, while the other pay 5% on a larger revenue base. By way of an example, a competitor provider pays 5% on its voice service, including features such as caller i.d., call waiting, and voice messaging. Centurylink on the other hand, pays 7% on the voice service only. That is, the land line known your home, but not on any of the other features I mentioned, caller i.d., call waiting, or voice messaging as an example. Under this proposal, every wire Line telecommunications business in Portland will pay the same rate on the same revenue base. This approach was recommended by the city auditor in the 2009 audit on utility and franchise revenue, and also by the 2012 office for community technology budget advisory committee. The proposed change would generate revenue for the city in the range of three to five million per year. In terms of process, all the utility license fee payees were notified last thursday which was the day that the ordinance was finalized and filed. It would not have been possible for us to notify companies prior to that because we did not have an ordinance and it hadn't been filed. I just wanted to make that clear in terms of the process we made every effort to notify all payees. In conclusion, instead of varying rates on wire line telecommunications providers, under this proposal every land line telecommunications business in Portland will pay the same rate on the same revenue base, and i'm happy to answer any questions.

**Saltzman:** If I have -- I do. Mary beth and I were going through my centurylink bill this morning. I have a land line, I do have caller i.d., so that's -- if I just had a land line, we'll say a lot of seniors, i'm guessing in our city have simply a land line, would I be paying actually less under this proposal? Would I be paying 5% on my 12.89 A month, or -- versus 7%?

**Henry:** Well, the fee actually would go up slightly. And I know intuitively --

**Saltzman:** Which fee?

**Henry:** The tax that would be passed on to the customer. And this is because with your land line fee, and let's just say that it's first -- for purposes of example, \$12.59 a month. There's also something called extended area service, which is required by the puc. Currently, there is no tax on that for centurylink or frontier, so that would be put into the mix and an interstate subscriber line charged. For example, currently someone with just a land line service would pay 38 cents a month. But with the 5% of gross revenue, that fee would go to 70 cents per month. If all of the fees are passed through as we would expect them to be.

**Saltzman:** So the extended area service and the interstate are Oregon public utility commission --

**Henry:** Yes.

**Saltzman:** -- requirements on centurylink or frontier or whoever to charge us for those --

**Henry:** Yes.

**Saltzman:** -- services, and those services now get folded into the taxable base of a land line.

**Henry:** Correct.

**Saltzman:** Ok.

**Adams:** And I at one point had answered some twitter feed that it would go down, because I was not counting the extended and the interstates, so this helps correct the record. Other questions? Let's get to testimony.

**Moore:** We have 10 people signed up.

**Adams:** Welcome. Mr. Parker, it's goods to see you again. It's been so long.

**Terry Parker:** Two-fer today. Terry parker, northeast Portland. When the agreement was made with the federal government to reform the police bureau, you mr. Mayor said I will find the money. However, after throwing around millions of taxpayer dollars on bicycle infrastructure, for free loading bicyclist, adding to the streetcar system and subsidizing its unsustainable operation and for a grossly overpriced and now defunct sustainability center along with a host of other social engineering spending, the city of Portland is now swimming in debt and basically out of money.

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Raising taxes is not the same as finding money. Moreover, new taxes assessed on the telecommunication companies will be passed through to their customers. It's simply unfair and unjust to raise taxes on the people that can least afford it such as senior citizens on fixed income, and low-income households that still have telephone land lines. These groups are already paying excessive water, sewer, and garbage rates for the unconstitutional tax arts head tax if it is not successfully challenged in court, excessive taxes on their homes, including the pps school tax bond, the Multnomah county library district for urban renewal, for police and fire retirement fund, etc. And a continuum of increased taxes being add on each year. To quote an elderly couple that was at one of the Portland Plan meeting round table discussion groups, we are here to see that they, you, are doing to us now. We are -- we cannot afford to live here anymore. Many senior citizens are just barely hanging on struggling to keep their homes. Are you trying to do a cleansing so financially distressed people will have to leave Portland? Look outside the window. The occupiers laying around on the sidewalk all have cell phones. If anybody should be paying more taxes, it's the young creative types that are the chief beneficiaries of your taxpayer funded social engineering programs. As an example, bicycle infrastructure is not paid for by the users. And takes up considerably more space in the public right of ways than telecommunications infrastructure. It also must be maintained with taxpayer dollars. If a proposed \$35 arts head tax to raise \$12 million annually, an annual \$35 adult bicycle license and registration fee, better yet an annual \$50 adult bicycle license and registration fee, could easily raise a significant amount of money without being totally absorbed by administrative costs. Once again the process is broken. I first found out about this proposal in "the Oregonian" this past weekend. With it coming before council less than a week after notification, where's the public discussion and the vetting process? The way this tax is being implemented is no less financially raping those who end up paying the tax. The legacy left behind by this administration will be the greatly increased cost of living for Portlanders. To quote Margaret Thatcher -- socialism fails when you run out of other people's money. There must be a far more just and equitable way to fund the police bureau reforms. Thank you.

**Adams:** Thank you Mr. Parker and what was your position on taxing shoes?

**Parker:** I don't have a position on taxing shoes.

**Adams:** I'm mistaken. Thank you.

**Parker:** I do pay for my sidewalk in front of my house.

**Adams:** Do your shoes pay for the crosswalk across the street? Welcome.

**Adam Grzybickl:** Mayor Adams, commissioners,. I'm not here to talk about taxing shoes. My name is adam Grzybickl, i'm the president of at&t Oregon and i'm based here in Portland. At&t respectfully opposes the proposed ordinance of 1308 to increase taxes on telecommunications services provided in the city of Portland. The stated objective of the tax increase on telecom service assist to fund obligations for Police reforms that are a result of a settlement not related to the telecommunications industry. No nexus has been established between the kind of phone service Portland residents ascribe to, and their share for the costs of mandated police reforms. Historically taxation and franchise fee levied upon telecommunications providers in the city of Portland have been tied to just compensation for the use of the public right of way, which is a value-to-value proposition. Increasing these taxes upon communication services simply to pay for a new obligation the city has incurred sets a dangerous precedent. Furthermore, we believe our customers and the customers of our competitors who will ultimately be paying more for their monthly service as a result of this action would prefer to have a say in the matter. At&t would encouraging the city of Portland to consider having the constituents in the city in our city weigh in on increasing taxes on the phone service to support police reforms through a more formal referendum. Lastly, the communications industry along with the public has very little notice and limited time to digest this proposed ordinance and fully understand its impacts. The intent and effect of these newly added definitions to the utility license law do not appear to be completely necessary given the city's stated



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intent for the ordinance. We respectfully requested at a minimum, more time to assess and discuss this with city staff, to ensure the ordinance does not have any unintended consequence the. On closing at&t at this time urges the commission not to act too this ordinance until the issues can be resolved.

**Fish:** [inaudible] I want to ask you two questions. The first is, under this ordinance, will at&t customers in Portland pay more?

**Grzybickl:** In our analysis of the way the letter is drafted, possibly yes. We are also a competitive local exchange carrier as well as a wireless provider in the city.

**Fish:** Possibly yes?

**Grzybickl:** Yes. That's one of the things we'd like to discuss with city staff. Our analysis as the way the current statute is written in regards to the new definitions that are being drawn up is that possibly our customers will be paying more too as a result of a pass through our consumers.

**Fish:** Have you had a chance to submit anything to staff to give them a first cut on how you would calculate that?

**Grzybickl:** Not at this time, not yet.

**Fish:** You raised the question of nexus through the police reforms. So let me put you on the spot. Let's assume the council intended to close this, what I'll call loophole. But did not -- was not going to dedicate the money to a particular purpose, but have the money come into the general fund.

Would you still oppose it?

**Grzybickl:** I think our position would be that it needs to go through any type of new tax would have to go through a referendum. I think that's been our position throughout the state, that any type of new tax on either wireless or land lines should go the -- to the citizens for -- as referred.

**Fish:** I want to go to the nexus question, because you put that in the front of your testimony. If it was not -- if the mayor had not begun by saying these revenues will be applied to a particular purpose, and it just came in and we were just closing a quote unquote loophole and the money was coming to the city works that at least allay your concerns about the nexus argument?

**Grzybickl:** No. Considering this new form of taxation has nothing to do with our work in the right of way, yes, I think it still creates questions for at&t.

**Fish:** Thank you.

**Saltzman:** The nexus argument raises an interesting point and I think it's worth clarifying that although it's the mayor's intent, legislative intent that any revenue derived from an increase or a tax on gross revenues versus land lines only go to pay for these reforms, technically this money goes to the general fund and only to the general fund. It's up to the council to appropriate the money. I want to make sure i'm not getting that wrong.

**Adams:** Nope. That's what I said in the introduction.

**Saltzman:** Ok. Thanks.

**Adams:** All changes to telecommunications fees and taxes should go to a vote of the people anywhere in the state of Oregon.

**Grzybickl:** I definitely also feel it should be discussed with the providers first. And --

**Adams:** I asked you, does that apply to every change in fee and taxes on telecommunications? Is that the position of at&t?

**Grzybickl:** I think it's kind of hard to say just, you know, across the board with any type of proposal that can be out there. I can't just -- I don't think that's fair.

**Adams:** You said that you -- the face value of -- what you said earlier was that, and i'm asking you to clarify.

**Grzybickl:** I'm -- what I intended -- what I said was unless there's a value-to-value proposition for a certain amount of work that needs to be on the right of way, a taxation along those lines --

**Adams:** So you don't -- I did some testing assumptions here, you don't agree with the notion of a privilege tax.

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**Grzybicki:** I think what we've been doing with the city of Portland and paying towards this tax in the past has been consistent. We haven't had a problem with that, we haven't opposed that. It's the broadening of the tax base that's a concern to us.

**Adams:** All right. This is tax equity. We feel it's closing a loophole. It's not a new tax. It's applying it fairly across companies. It's pretty easy if you oppose something to say that it should go to a vote. I will let you know and you can refer this on to your board of directors. We take a lot of grief for your cell phone towers all over the city, and it would be very nice for us if we referred them to a vote. But we don't. Because we have to make stewardship decisions on your behalf sometimes, that you like, and on other times you don't like. Ms. Bowen, Ms. Hardesty, sorry.

**Jo Ann Hardesty:** Good afternoon. For the record I'm Jo Ann Hardesty. And I am here, I didn't think I'd be in between two guys in very nice-looking suits. But actually with the same message, that I think that this funding mechanism is the wrong mechanism for police accountability. And let me just separate police accountability from telecommunications. Because a, I don't see the connection. But b, I think our responsibility and it's a citywide responsibility is to ensure that our police department operates with the greatest integrity and they protect the constitutional rights of our most vulnerable citizens. I don't think the 150 to 200 people who would end up paying for police accountability under this scheme should be the only people investing in making sure the police uphold our constitutional rights. It is -- I am concerned because of the way you've identified this funding pool, there's only a sliver of Portlanders who are invested in funding police oversight and accountability. You're looking at me strange like I said something weird. Am I not making my point? And so what I would like to encourage you to do is to look for funding for the first year of funding. And let the new city council develop a long-range funding plan. I think that this is too important to just put it on the backs of a few of the Portland community residents. I think this is something that we all have to invest in. For example, I don't know that we've gone through the Portland police bureau's budget and decided what of the special programs we won't do anymore. All these special task forces and -- we have way too much of these people who are sitting in committees and they're not out on the street, so the problem is we don't have enough police officers on the street, I think what we should be doing is going back to the core services that Portland police officers are supposed to provide, which is to protect and serve, and they need to be retrained so that they're effective in protecting and serving. And so my biggest concern is that this will be on the backs of many people who are really ill-equipped to fund a police accountability. This is a citywide effort, it's a citywide problem, and it needs a citywide solution. And I think rushing this through is a mistake.

**Adams:** Let me be clear. This was identified in 2009. As a recommendation by the independently elected auditor.

**Hardesty:** Yes.

**Adams:** my choices are to have three choices, an unfunded agreement, cut somewhere in the city or find revenue source. This isn't -- this goes to the general fund and the city council decides how it's being decided. So I don't, while I respect your point of view I agree with it and I don't understand it but, my preference is to enact, close the loophole that is identified years ago as a means toward being able to have something much more. To have a funded agreement not an empty agreement.

**Fritz:** And to be even clearer there's nothing in this ordinance that directs the funds anywhere. It goes into the general fund and the three of us will begin to [inaudible] with the new two members of the council will be deciding how, because I absolutely agree with you this is a responsibility of all the citizens of Portland. Once it goes into the general fund bucket then we have a responsibility to make sure that all the pieces and this doesn't fund everything anyway even if it were dedicated to it. So I think your making a good point however this ordinance doesn't specify this particular bucket.

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**Hardesty:** Thank you commissioner fritz. I appreciate that and mayor adams but when the mayor says i'm doing this tax to pay for this --

**Adams:** That's the amount it costs and that's the amount it's proposed but it isn't legally tied. When I said when I introduced this it's my legislative intent. Its not a legal dedication because that's not possible.

**Hardesty:** Again, it's going to be 3.8 to \$5 million a year is what your anticipating in revenue. The reform efforts are going to start at 3.8 the first year and 3.4 million for the next four years after that. So --

**Adams:** Again, they are not dedicated. I'm identifying, taking the auditor up on her recommendations to identify inequity in the land line telecommunications taxes levied by the city. That is an amount of money that allows us to, the council, now and into the future to have a funded agreement with doj. That's what this is and that's what I said I would do so I'm fulfilling my promise. Thank you very much.

**Hardesty:** I appreciate the fact that you said you would look for funding and you think you have identified it. But when you use the term equity and we're talking about police reform --

**Adams:** This is equity among telecommunication providers.

**Hardesty:** That word is getting thrown around way too often. What we're talking about --

**Adams:** We have two companies being taxed in one way and two or more companies being taxed in another way. We have been very clear up here. I have been very clear this is about a form of tax equity. That's what we have been talking about. Thank you.

**Hardest:** Thank you.

**Adams:** Welcome.

**Mark Farrar:** Mr. Mayor, members of city council, mark farrar, vice president of government affairs with comcast here to say that we commend the city's effort at achieving tax parity. I'm not here to comment on the pros and cons of the privilege tax in and of itself but, I am here to say that we appreciate the city taking an effort to achieve tax parity at least on this part of telecommunications tax policy that comcast customers are subject to. As the staff report points out, there's been a number of years where there's been a disparity that comcast customers are paying for the same taxes on the exact same services that competitors here in Portland are not paying on. This does -- this ordinance does achieve a partial tax parity. The reason I say partial is I would encourage city council and mayor going forward to consider the other areas of tax parity that comcast customers are subject to. You mentioned mayor the area of cell phone service. If you look at a call is a call is a call, comcast customer making a phone call no matter where they make that phone call on a personal device, from their home, there's a tax parity question there. The long standing tax parity question on television services which is there's a city imposed 5% franchise fee and for customers that take their television service out of the sky there's absolutely no fee that is based upon those services which is a possibility and many states across the nation have figured out a way to achieve tax parity through statute and local efforts as well. So I want to thank the city for taking this effort just about tax parity in achieving it in this manner. Happy to answer any questions. Again, thank you very much.

**Adams:** Thank you all very much.

**Moore:** Next four.

**Adams:** Mr. Olson, welcome back. How are you?

**David C. Olson:** Thank you, mr. Mayor. Was passed out wireless state tax rankings to you. These are wireless industry figures what i'm going to mention starts on at the very end of page 2, you need to turn it over and look at the very last item. That would be below mississippi, alabama, arkansas and everyone else. Again, i'm david olson, a private citizen. I have formerly had the privilege of being your cable director for a number of years. I wanted to mention this again, you're familiar with it, first of all very much this is about the general fund this has been general fund

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forever. The decision between what you put -- how you fund your general fund is completely separate from your expenditures. I can absolutely vouch for that as we always have. Nearly ten years ago the city council asked the cable office to come back with tax equity for utility license fees. We did. There were two council work sessions on this very subject. We brought back a proposal for tax equity for your existing telephone tax that's been there since world war ii. Whats in front of you is not that tax equity. It is not. In fact of the folks on council commissioner Leonard walked the plank more than anyone else and went all the way with it and was one vote shy of true tax equity. Why? Because the fundamental flaw here is drawing a distinction between the phone you plug into the wall and the phone that everyone is carrying around and many of you may be packing as I speak. That is a different tax treatment and that artificial distinction -- there you go.

**Adams:** I use to have At&t service.

**Olson:** There you go. The lack of paying attention and taxing differently the phone that you plug in the wall versus the phone everyone is carrying around is the fundamental flaw. I have said for years and I do need to underline that again, this is not the solution we brought back nor is it the overall solution recommended in the 2009 audit which was the subject addressed to our bureau. The overall context of the audit, only the auditor can ultimately speak to it but was to tax phones the same including the wireless solution. So to me this is not the 2009 solution either with all respect. It is a portion of it. I will grant you. To that extent I applaud you for doing this. However, you are slapping a patch on a bald and leaky tire. You are exacerbating the differential tax burden by having the wire line folks pay for the free ride of wireless folks. This is not that solution. The ultimate solution treating all phones in the city fairly remains in front of you. It's not a new tax. It's a fair tax. That's what you're seeking. This is not that solution and it's an honor to say that yet again to my very dear friends and former employers on this city council. Thank you very much.

**Leonard:** If you don't mind, for the last one plus years it's been difficult sometimes for me to feel inspired. It's refreshing to have you come and with your background and experience articulate what I have grown increasingly frustrated to even talk about, that being not only is Oregon in terms of tax burden on individual citizens near the bottom of the heap, our schools are -- a total tax burden from the bottom. But as you point out here we are at the bottom, and it is a source of unending frustration to me that elected leaders lack what it takes to confront what is clearly a declining revenue issue that we're paying for in our streets and in our schools and in our communities and infrastructure. You've done an excellent job identifying that here today. I for one very much appreciate it.

**Olson:** Thank you, commissioner.

**Leonard:** You woke me up.

**Olson:** Thank you. I call it a municipal crime in progress. It's the difference between 20-25 million a year versus the amount your getting. It is a step in the right direction. Please understand that. Thank you.

**Adams:** Did you hear that, max? He said it was a step in the right direction but he hates it. Hi, welcome.

**Ross Waggoner:** Ross Waggoner, general manager, frontier communications. We're a small provider. I have to agree with david after sitting on the other side of the table all these years.

**Adams:** That's got to be one of the seven signs.

**Olson:** I'm fainting.

**Waggoner:** Thank you.

**Adams:** This is the end days for sure.

**Waggoner:** Unfortunately we were not notified and I have not had time to give it to our council, read about it in the paper.

**Adams:** Mary Beth says you were notified.

**Waggoner:** It could have gone to one of our offices. Maybe to a different state.

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**Adams:** You were notified but you weren't notified. Just to be clear.

**Waggoner:** Okay. I'm not going go through my list because it's been said many times and i'm in agreement. In the background information provided by the city staff indicated that the proposed utility license fee is similar to that enacted by the city of eugene. This is not entirely factual because the city of eugene applied to all telecommunication providers including wireless providers which is the issue david was just talking about. The proposed change in the city ordinance is limited to wire line utilities and creates an imbalance in an extremely competitive environment. I think someone else mentioned as access lines are transitioning to what you're packing in your pocket I agree with your analogy, it's a tire that is short term fix. We would like to see something more equitable. In fact, everything else has been mentioned so i'm going to pass it to the next person. Thank you.

**Fritz:** Could I just clarify you would be supportive of across the board parity?

**Waggoner:** We're looking for equity between all in the telecommunications and this does not do it.

**Fritz:** Thank you.

**Adams:** You would still have even across the board equity you would still have potentially a tax increase. You're okay with that if it's across the board?

**Waggoner:** I think if its across the board, I'm speaking for myself, but I would think after operating different environments in the city of Portland I think that's reasonable.

**Leonard:** Again, I don't mean to be talking out of line here today, but what you've heard the last two folks testify to is precisely what we identified in 2004 was that land mine companies found is very unfair that they would pay a tax that the cell phone companies are not paying. Did not understand the rationale behind that and where they might not actively support a cell phone tax they certainly at least at the time dave and I worked very closely on this, told us they would not support such an effort because it would level the playing field. One of the obvious benefits, I hope everybody heard the last thing david said, he used the term may raise 25 million. That's what we determined in 2004. I would say that in 2012 the amount of revenue that that would mean to be clear provide police, fire services and parks and other general funded services would be even more in addition to leveling the playing field. This is an area I recently spoke with the mayor about the work you and I did, david, one of the reasons i'm gratified you said what you did. But I do think this is an issue. I hope the next council takes serious and considers pursuing it.

**Adams:** The companies treated most unfairly are those already paying the 5% on land lines.

**Leonard:** That's right. They are paying it and other telecommunication providers are not paying it because the communications go over a line versus a wireless exchange.

**Adams:** Welcome.

**Ted Gilliam:** Mr. Mayor, commissioners, i'm ted gilliam, I represent integra telecom. As many of you know integra has advocated for a long time for a level playing field in the city of Portland and we support this ordinance. We think it goes quite a ways towards leveling that playing field. I would agree with everything mr. Olson has stated here, but only short of that we do support this ordinance. We would ask that as the city considers passing this ordinance that they keep in mind to make this a truly level playing field we would need to allow competitive providers to deduct amounts paid to incumbents so that there is not I wouldn't say a double taxation but an increase above the 5% that the city is asking for. As I explained further in my written comments to the city, that does create an inequity that is passed through ultimately to consumers and is not quite I think the level playing field the city is hoping for. Thank you.

**Adams:** Thank you. Welcome.

**Charles Johnson:** Good afternoon, council members. It's interesting to see fine people in suits here but no ladies in suits unfortunately talking about the possibility of --

**Adams:** What's your name, sir?

**Johnson:** Charles johnson.

**Adams:** Please proceed. There are some suits --

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**Fritz:** You don't have to have a suit.

**Johnson:** I meant among the business representatives. Under-representation. The idea that in the future the city may get more revenue from taxing wireless services is certainly an interesting possibility. It's unfortunate for Mr. Hales isn't here right now to look at the revenue enhancement but the idea it's important to remember that reason we're having this tax equity or revenue enhancement brought forth is because prior city councils have not been keeping essentially a strong enough leash on the Portland police department. Part of the purpose for this revenue is probably to hope that we won't have lawsuits from people injured by our police officers. So there's a mutual responsibility here along with collecting revenue for the city to do everything in its power to ensure that citizens are not mistreated in ways that will cost the city money by litigation. Moving on from that issue, I do hope that the city will look forward to what Mr. Olson discussed, that is full equity where you'll have the courage not to be dissuaded by Verizon and Sprint from letting them contribute to the city's general welfare. Thank you.

**Adams:** Thank you all. Next?

**Moore:** The last three who signed up are --

**Adams:** Welcome. Just give us your first and last name and if you're authorized to speak for or lobby on behalf of a business or organization.

**Mark Trinchero:** Thank you, Mayor Adams, commissioners. I'm Mark Trinchero I'm with the law firm Davis Wright Tremaine. I'm here on behalf of TW Telecom and XO Communication. TW and XO like Integra are wire line competitors in the city who pay the full 5% on the broader gross revenues base and we are here to applaud the city's efforts to bring parity. We have some concerns about the wording in the ordinance and we have raised those with the city staff. It's our understanding that this ordinance may be reopened again to look at water and sewer in the coming years, and we would hope to be able to make some suggestions as to how to fine tune the language. The one thing that we are encouraged by are representations from the city's staff that in fact this change to the ordinance will not change in any way the amounts that TW and XO are currently paying. We just want to make sure that the change to the language doesn't allow that to happen.

**Adams:** If I could speak on Mary Beth's behalf, part of the fine tuning that will be required can only be done once this is passed and we actually start getting revenues and we can see whether some unintended aspect of this exists. But we don't have access to the books of everybody involved, so there's a commitment to come back and fine tune it when we have the information in front of us.

**Trinchero:** Thank you.

**Adams:** Welcome.

**Larry McMillin:** Larry McMillin, corporate attorney for CenturyLink. Mayor and commissioners, thank you for this opportunity to comment on the proposed legislation. The current Portland license tax structure respects limitations in state law as to the municipal taxation of telecom companies. Comcast understands from exchanges with staff that the city takes the position that the current law is -- proposed amendment is permitted under existing law. We respectfully disagree. The Oregon Supreme Court previously considered the expansion of municipal taxes to reach additional services provided by local telecom provider and allowed that under the city's home rule authority as long as it was levied on the basis of an occupational tax applied equally to all telecommunications providers. The key part in the Eugene decision was that it applied to all telecommunications providers including wireless with a physical nexus with the city whether in the right of way or not. The proposed ordinance does not meet that test. I have heard the comments regarding this being a matter of fairness and plugging a loophole. I think those comments look at only one slice of a very broad range of tax and regulatory differences that are imposed upon local exchange telephone companies. And any change to the landscape needs to consider the total picture. As an example, CenturyLink as a telephone company is centrally assessed by the state of Oregon including not only its tangible operating assets but all intangible assets. The cable telephone providers, I'm speaking of

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comcast and their current litigation pending before the Oregon supreme court, is assessed on their voip affiliate but they are not centrally assessed on the same physical network which carries the video and internet portion of their service. This is a significant tax inequity. We're talking about property taxes that are paid to the city of Portland and all other municipalities in the state. I would note that this will if passed result in an increase in tax on our customers and under Oregon law the local exchange companies are required to pass through to their customers municipal taxes in excess of certain amounts. We have submitted a letter which more fully details the substantive basis for our position.

**Adams:** Your time is up. I would like to hear your response. You think that the second point you were making is basically that outside of the city of Portland you have a lot of other requirements that some of your competitors don't have.

**McMillin:** Yes.

**Adams:** But so inside the city of Portland we need to treat people equitably. Some have argued this isn't full equity and i'm not disagreeing with that necessarily, but why do you think that in terms of the city of Portland's treatment of you only, why does your company, why would your company -- how do you justify your company being treated one way and his being treated a different way or integra?

**McMillin:** Well, let's be clear, a telecommunications company does not exist in the city of Portland only. You are part of a larger network.

**Adams:** I know that but I didn't ask you to replot that ground. I'm asking you about our treatment of those that are in the city of Portland.

**McMillin:** First, I think we're having a difference on the premise there. I think it's improper to isolate the terms within the city of Portland. If you are going to look at the city of Portland, then also consider the tax revenues which from property taxes which the city derives from local exchange companies from other wire line carriers versus both cable telephony and wireless telephony and wireless --

**Adams:** On the issue in front of us today.

**McMillin:** That -- the point -- Mayor Adams --

**Adams:** I'm not going to get you to agree to basic context.

**Fish:** Mr. McMillin, thank you for your letter that we got. There's two points you make on page 4 of your letter I just want to make sure I understand your argument. The first is, you said that centurylink continues to be disappointed that we grant preferential treatment to wireless communication providers. That is essentially the comcast argument that we should be treating the land line and the wireless the same and we don't tax them the same and that's preferential treatment?

**McMillin:** Yes.

**Fish:** And the second point I guess I don't understand because let's just assume for a moment that we are trying to close a loophole and bring equity at least among like providers. You may disagree with that. I'm not trying to lock you into a position that comes back to haunt you. But just let's assume that's our intention. You go on to say that we're somehow enlarging the preference treatment through creating equity among like providers. How the last sentence to the last paragraph, how is the action we're going to take enlarge what you described as preferential treatment which is we treat land lines different than wireless? How would this enlarge that preference treatment?

**McMillin:** By increasing the taxes that we pay, that a land line carrier pays, as compared to wireless carriers who are direct competitors, our customers are going to see an increase in their bill, and at some point when a customer sees an increase in a bill that is a triggering mechanism for the customer to reevaluate whether they need to retain a land line or not.

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**Fish:** I see. Is it fair to say as long as there's what you describe as preferential treatment, we don't tax the wireless companies, your legal grievance is that we're not -- we're putting you at a competitive disadvantage.

**McMillin:** Correct.

**Fish:** I understand, thank you.

**Adams:** Welcome.

**Chris Denzin:** Thank you. I appreciate the chance to speak on behalf of century link in front of the council, mayor Adams. Chris denzin, centurylink vice president, general manager. I don't want to belabor the points shared today. For the sake of time I want to reiterate a couple of points. One is understanding that this is a complicated issue. This is a tax issue. There are a lot of moving components to this. Larry and many of our industry pierce have shared their comments. I heard council make mention that they don't want to explore a new tax on wireless providers. It's a new tax. This is a new tax on a new section of ratepayers for centurylink that's not there today. To take a position that you don't want to move forward finding equity in this particular business, which is a voice business. It's not a wire line or wireless business or voip business, it's a communications business. Sometimes they are difficult to find true reform and true equity you have to ask tough questions and spend the time to solicit feedback and find that equitable solution. I heard today there's outstanding confusion on what this tax change truly means. The mayor brought up an example where he was responding to twitter that he felt taxes would go down when in fact he was just advised by his own staff that it wouldn't. I guess there's still confusion remaining today. I recommend the council take the time to fully understand the impacts that were shared from all of the industry players before making a decision asking additional questions and allowing all of us to explore those as we move forward. I appreciate the opportunity to make those comments. Thank you.

**Saltzman:** I want to get some idea. I expressed concern, I think I was doing the math out loud about my own phone bill, understanding the things that are calculated under the new albeit lower tax rate, gross tax, 5% that would still cost me maybe 70 cents or a dollar more a month. How many land line customers do you have? If you know off hand. In Oregon.

**Denzin:** Portland?

**Saltzman:** Portland, Oregon. I'll take either one.

**Denzin:** Oregon since it's not in a city-based service company. I think there are about 600,000 in Oregon, I'd have to go back and revisit those figures.

**Saltzman:** I assume that number is declining. I know many younger people than myself no longer have land lines.

**Denzin:** That number is declining. Has been for about a decade now.

**Saltzman:** Except the puc, larry maybe you know this answer. The puc will only allow a certain amount of a local franchise fee increase or privilege tax increase to be passed along to customers. What is that amount?

**McMillin:** If I may answer, yes by state law and puc rule for any local exchange company it must include the first 4% of local taxes and fees as an operating expense. All amounts in excess thereof are to be passed through to the customers in the municipality that's levying the tax.

**Saltzman:** Okay. That applies to century link, energy utilities like pge --

**McMillin:** There are parallel provisions for large energy companies.

**Saltzman:** Centurylink is the only -- frontier?

**McMillin:** The rules apply to all local exchange companies, all local exchange companies operating in Oregon and for the Portland area that would be primarily centurylink but also frontier.

**Saltzman:** Thanks.

**Adams:** Thank you all very much. On that last note, this record does stay open for two weeks, so we do have time. I would like to get comments from official comments in or supplementary



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comments in by next wednesday to mary beth, and we will definitely consider those. This is heard again on what day in two weeks?

**Moore:** Thursday or back on wednesday?

**Adams:** Let's do wednesday.

**Moore:** We can hear it in the morning, wednesday, november 28.

**Adams:** Wednesday, November the 28<sup>th</sup> we continue the hearing. Thank you all very much. Appreciate your testimony.

At 4:03 p.m., Council adjourned.