

Portland, Oregon  
**FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT**  
**For Council Action Items**

(Deliver original to City Budget Office. Retain copy.)

|   |   |   |   |
|---|---|---|---|
| 1. Name of Initiator<br>Theresa Marchetti   |   | 2. Telephone No.<br>503-823-3092  | 3. Bureau/Office/Dept.<br>Office of Neighborhood involvement                    |
| 4a. To be filed (hearing date):<br><br>6-4-2014   | 4b. Calendar (Check One)<br><br>Regular    Consent    4/5ths<br><input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |   | 5. Date Submitted to Commissioner's office and CBO Budget Analyst:<br>5-29-2014 |
| 6a. Financial Impact Section:<br><input checked="" type="checkbox"/> Financial impact section completed |   | 6b. Public Involvement Section:<br><input checked="" type="checkbox"/> Public involvement section completed |   |

**1) Legislation Title:**

Conceptual Presentation to Council: Late Night Activity Permit

**2) Purpose of the Proposed Legislation:**

To present a concept to Council to consider developing a Late Night Activity Permit intended to address environmental factors of late night business that contribute to an increased likelihood of crime and nuisance activity

**3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?**

- |  |                                    |                                    |                                |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast             | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East  |
| <input type="checkbox"/> Central City                  |                                    |                                    |                                |

**FINANCIAL IMPACT**

**4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.**

Although there is intended to be an associated cost to the permittee for the permit, it is not intended to cover the costs of initiating or sustaining the program. It is unclear at this point at what level the City may have to absorb the cost. This is solely a presentation of a concept that will be developed further so potential revenues would be identified in a future ordinance.

**5) Expense: What are the costs to the City as a result of this legislation? What is the source**

**of funding for the expense?** *(Please include costs in the current fiscal year as well as costs in future year, including Operations & Maintenance (O&M) costs, if known, and estimates, if not known. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the level of confidence.)*

This project is still in the conceptual stage, however we do anticipate the need for staff for initiation and maintenance of the program, funding to cover the potential technology needs of the program, and materials for training and education.

**6) Staffing Requirements:**

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*  
None resulting from current legislation. If council chooses to move forward with a future proposal, there may be a position created under a separate ordinance.
- **Will positions be created or eliminated in future years as a result of this legislation?**  
None with current legislation.

*(Complete the following section only if an amendment to the budget is proposed.)*

**7) Change in Appropriations** *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

| Fund | Fund Center | Commitment Item | Functional Area | Funded Program | Grant | Sponsored Program | Amount |
|------|-------------|-----------------|-----------------|----------------|-------|-------------------|--------|
|      |             |                 |                 |                |       |                   |        |
|      |             |                 |                 |                |       |                   |        |
|      |             |                 |                 |                |       |                   |        |
|      |             |                 |                 |                |       |                   |        |

**[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]**

**PUBLIC INVOLVEMENT**

**8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:**

- YES:** Please proceed to Question #9.  
 **NO:** Please, explain why below; and proceed to Question #10.

**9) If “YES,” please answer the following questions:**

**a) What impacts are anticipated in the community from this proposed Council item?**

**b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?**

**c) How did public involvement shape the outcome of this Council item?**

**d) Who designed and implemented the public involvement related to this Council item?**

**e) Primary contact for more information on this public involvement process (name, title, phone, email):**

**10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.**

Initial public involvement has begun through hosted Public Forums focusing on livability issues associated with liquor licensing. This presentation is the first official public forum on the topic and we intend to conduct a much more robust public involvement process as the project moves forward.

Amalia Alarcon Morris



APPROPRIATION UNIT HEAD (Typed name and signature)

# **Conceptual Presentation to Council: Late Night Activity Permit**

**June 4, 2014**



**Developed by:**

**Office of Neighborhood Involvement**

Amy Archer

Theresa Marchetti

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**Portland Police Bureau**

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Ariana Ridgely

Jay Gahan

Richard Kepler

**Mayor Charlie Hales Office**

Chad Stover

## **CONCEPTUAL PROPOSAL: LATE NIGHT ACTIVITY PERMIT**

**DEVELOPED BY:** The Office of Neighborhood Involvement Livability Programs – Liquor Licensing, with input from ONI Noise Control and Crime Prevention, Portland Police Bureau (Drugs and Vice Division and Central Precinct Entertainment Detail), Portland Fire Bureau, and Mayor Charlie Hales Office.

**LATE NIGHT ACTIVITY PERMIT** – A permit that proactively addresses environmental factors that contribute to increased likelihood of crime and nuisance activity as a result of late night business activity.

**WHO WOULD ACQUIRE A LNAP** - Businesses that operate beyond 10pm that are open to the general public.

### **PROBLEM STATEMENT AND CHALLENGES:**

Late Night Activity can be associated with harm dependent on the environment

A vibrant nightlife is an important component of any large city's economic infrastructure, providing late night activity and entertainment for interested community members. However, not unlike other cities internationally, violent crime and disturbances tend to cluster in nightlife districts in Portland. In 2012 and 2013, 33% of assaults and 55% of disturbances occurred between the hours of 10pm and 7am. These hours are also identified as the vulnerable hours of the city, when more of the population is asleep and police and public safety resources are minimal. Although nightlife districts are associated with a high number of drinking establishments, alcohol is only one factor in evaluating the potential impacts to the community. Two decades of research in the US, Canada, and Europe supports that the environment created by nightlife districts and alcohol can cause aggregate harm (Cusimano, Marshall, Rinner, Jiang, Chapman, 2010). In a temporal analysis of violent crimes with associated injuries conducted in Toronto Canada, it was found that high-risk populations are drawn to nightlife districts to engage in high-risk activities including alcohol consumption and drug use. Characteristics unique to nightlife districts including inconvenient access points, overcrowding, lack of security or control measures that lead to a permissive social environments are key factors that contribute to violence in nightlife areas (Homel, 2001).

Density also poses challenges for Portland. As density increases, it is more difficult to identify particular locations that are out of compliance. Portland has experienced a 35% increase in liquor licensing in the hospitality industry in the last 10 years, including nightlife venues. In *Where the Palm Grown: The Ybor City revitalization project*, Alexandra Fitos describes nightlife venue as a particular operation characterized by a drinking atmosphere, entertainment appropriate for an adult audience, and relatively no food or other amenities. Research tells us that density of licensed establishments can lead to an increase in crime, and that violence when perpetrated under the influence of alcohol tends to lead to more injuries. Portland's commercial corridors are increasingly hospitality focused, which usually includes the sale and service of alcohol and entertainment. The general reaction by municipal governments has been to utilize

police and enforcement agencies to crack down on problem hot spots with the unfortunate consequence of simply watching the issues mushroom in another location. The congregation of nightlife venues have been a moving target in the last decade in Portland, as well as other cities in the nation.

#### Late Night Activity Needs Understood Parameters

In situations of mixed used zoning, conflicts can arise because of misaligned expectations between residents (among other interests) and business owners that engage in business during the expected quiet hours. Milwaukee Wisconsin and Denver Colorado witnessed this in their jurisdictions as commercial districts that abut residential districts became the focus for many complaints. Absent a standardized approach, business and residential relations are often facilitated informally through Good Neighbor Agreements or simply personality driven. Frustration arises when one or more establishments do not follow the same 'rules' of engagement, particularly regarding issues pertaining to livability (noise, trash, etc). The City repeatedly receives complaints from community members struggling to address livability issues related to late night establishments with very limited tools. Past advisory groups and involved community members have advocated for the City to identify means to improve local control over these establishments to maximize both preventative and problem solving efforts.

#### Event Organizers often operate outside the existing framework

Events that are designed to amplify a particular component of the community have also grown in popularity across the nation. Portland has experienced this through the growing popularity of Last Thursday, the Portland Brew fest, and the Portland Rose Festival. The City has lacked a uniform approach in guiding event organizers to ensure compliance and safety, the result of which has been a wide spectrum of issues.

#### PORTLAND'S CHALLENGE:

Research supports effective strategies that focus on the environment in which late night activity occur to mitigate harm (Finney, A., 2004). In order to create a successful long term model, there must be acceptance that there is a market for these types of venues, and therefore, they will exist (Peters & Lakowski, 2010). Simply enforcing them out is reactive at best, and at worst a resource drain. Institutionalizing best practices, as many other cities have found, is a proactive strategy appropriate for Portland that can help prevent some potential harm and support a safe and vibrant nightlife.

Without any standard of behavior, late night activity has a wide spectrum on which to fall. The vast majority of late night business operators can be motivated to achieve compliance and engage responsibility if there are clearly defined rules and expectations. Currently, we operate in a vacuum where those standards may not be clearly communicated until after problems have already occurred.

Problem solving, which is currently coordinated through the Office of Neighborhood Involvement (ONI) Liquor Licensing and Crime Prevention Programs, is complaint driven and reactive. Often problems arise due to inexperience of the operator in how to conduct business

without adversely affecting the surrounding community. ONI staff in partnership with Police, Fire and outside agencies provide resources and education ad hoc and on a one on one basis, usually after issues have arisen that could have been prevented. A Late Night Activity Permit would require training and education up front as part of the permit. We intend for the permit to be low cost and very accessible, hopefully with training provided through a web-based program to maximize the impact versus time investment. The goal is to prevent the cost and negative outcomes associated with crime and nuisance impacting business, local government, and the general public.

### **LATE NIGHT ACTIVITY PERMIT (LNAP) POTENTIAL REQUIREMENTS**

Depending on the particulars of the venue, the LNAP would require plans for security, crowd management, identifying high risk individuals, and appropriately vetting promoters in order to promote the safety of the venue and the public that the venue serves. It would also require a plan for waste management, sound mitigation strategies, and compliance with the law.

Although the City has achieved success responding to problems through the Time Place and Manner Code to address concerns related to alcohol establishments, alcohol service is not the only factor of a business that causes concern. The City of Portland has limited authority over how business is conducted, and lacks a cohesive tool to address the systemic issues that are often present with a business that is chronically out of compliance. Often, in the case of a bad actor, citations with minimal fees are simply the cost of doing business. This permit is intended to have a meaningful enforcement component, removal; that will deter chronic non-compliance that ends in excessive resource allocation. The LNAP requirements would have the goal of preventing problems and also provide a tool to improve problem solving efforts.

### **PUBLIC PROCESS TO FURTHER DEVELOP CONCEPTUAL PROPOSAL**

The City of Portland is becoming denser, and has experienced the growing pains associated with the conflicting interests present in multi-zoned urban environment. The Late Night Activity will allow the Portland Community to engage in a meaningful dialogue about what the standards and balance should be. As we conduct the public process for this project, and before we bring it to Council again for implementation we intend to do the following.

- Host a series of town hall meetings to get feedback on the LNAP.
- Convene several focus groups of stakeholders, including industry membership, neighborhood leaders, and others as identified.
- Return to Council with a more fully developed proposal for an LNAP.

#### **Contact for Questions:**

Theresa Marchetti – 503-823-3092

Theresa.marchetti@portlandoregon.gov



CITY OF

**PORTLAND, OREGON**

OFFICE OF NEIGHBORHOOD INVOLVEMENT

**CHARLIE HALES, MAYOR**

Amalia Alarcón de Morris, Bureau Director

1221 SW 4th Avenue, Room 110

Portland, Oregon 97204

*Promoting a culture of civic engagement*

**Presentation to Council:**

*NOT HEARD 6-4-2014*  
**REFERRED TO COMMISSIONER OF  
FINANCE AND ADMINISTRATION**

**DATE:** 6-4-2014

**TO:** Mayor Charlie Hales and City Council

**FROM:** Amalia Alarcon de Morris

**SUBJECT: Review Conceptual Presentation to Council: Late  
Night Activity Permit**

The Office of Neighborhood Involvement, in partnership with the Police Bureau and Portland Fire Bureau, is pleased to present the concept of a Late Night Activity Permit to proactively address environmental factors that contribute to crime and nuisance activity as a result of late night business activity. As other US cities have found, best practice strategies can be utilized to promote safe and vibrant businesses while simultaneously protecting the surrounding community. This presentation is intended as an initial opportunity to inform and receive guidance from Council on the initial concept and process to develop further.

Agenda No.  
**REPORT**  
Title

Review Conceptual Presentation to Council: Late Night Activity Permit (Report)

|   |   |
|---|---|
| <p style="text-align: center;"><b>INTRODUCED BY</b><br/>Commissioner/Auditor:<br/><b>Mayor Charlie Hales</b></p>  | <p>CLERK USE: DATE FILED <u>MAY 30 2014</u></p>   |
| <p style="text-align: center;"><b>COMMISSIONER APPROVAL</b></p> <p>Mayor—Finance and Administration - Hales <i>(Signature)</i></p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Novick</p>  | <p style="text-align: center;">LaVonne Griffin-Valade<br/>Auditor of the City of Portland</p> <p>By: <u><i>Suzanne Parsons</i></u><br/>Deputy</p> |
| <p style="text-align: center;"><b>BUREAU APPROVAL</b></p> <p>Bureau: Office of Neighborhood Involvement<br/>Bureau Head: Amalia Alarcon de Morris <i>(Signature)</i></p> <p>Prepared by: Theresa Marchetti<br/>Date Prepared: 5-29-2014</p> <p>Financial Impact &amp; Public Involvement Statement<br/>Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p> <p><b>City Auditor Office Approval:</b><br/>required for Code Ordinances</p> <p><b>City Attorney Approval:</b><br/>required for contract, code, easement, franchise, charter, Comp Plan</p> <p>Council Meeting Date <b>6-4-2014</b></p> | <p><b>ACTION TAKEN:</b></p> <p><b>JUN 04 2014 REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION</b></p>                                      |

|   |
|---|
| <b>AGENDA</b>   |
| <p><b>TIME CERTAIN</b> <input checked="" type="checkbox"/><br/>Start time: <u>10am</u></p> <p><b>Total amount of time needed: 30</b><br/>(for presentation, testimony and discussion)</p> |
| <p><b>CONSENT</b> <input type="checkbox"/></p>  |
| <p><b>REGULAR</b> <input type="checkbox"/><br/>Total amount of time needed: _____<br/>(for presentation, testimony and discussion)</p>  |

| FOUR-FIFTHS AGENDA | COMMISSIONERS VOTED AS FOLLOWS: |      |
|--------------------|---------------------------------|------|
|                    | YEAS                            | NAYS |
| 1. Fritz           | 1. Fritz                        |      |
| 2. Fish            | 2. Fish                         |      |
| 3. Saltzman        | 3. Saltzman                     |      |
| 4. Novick          | 4. Novick                       |      |
| Hales              | Hales                           |      |