



CITY OF
PORTLAND, OREGON

OFFICIAL
MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 12TH DAY OF MARCH, 2014 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Fritz, Novick and Saltzman, 5.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ben Walters, Chief Deputy City Attorney; and Jim Wood, Sergeant at Arms.

Item Nos. 227 and 232 were pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

COMMUNICATIONS		Disposition:
216	Request of Kirsten to address Council regarding R2DToo/R2S/houseless advocacy (Communication)	PLACED ON FILE
217	Request of Kris Halliday to address Council regarding R2DToo/sweeps/homeless advocacy (Communication)	PLACED ON FILE
218	Request of Roy Pascoe to address Council regarding homeless and housed issues (Communication)	PLACED ON FILE
219	Request of Kristopher L. Misener to address Council regarding Right To Dream Too (Communication)	PLACED ON FILE
220	Request of Loretta Pascoe to address Council regarding Clean & Safe's sweeps and police clean ups (Communication)	PLACED ON FILE
TIMES CERTAIN		
221	TIME CERTAIN: 9:30 AM – Accept the Customer Service Advisory Committee Customer Service Status Reports Summary for FY 2011-12 (Report introduced by Mayor Hales) 20 minutes requested Motion to accept the report: Moved by Hales and seconded by Fritz. (Y-5)	ACCEPTED

<p>222 TIME CERTAIN: 10:00 AM – Human Rights Commission 2012 – 2013 Annual Report (Report introduced by Mayor Hales) 30 minutes requested</p> <p>Motion to accept the report: Moved by Fritz and seconded by Saltzman.</p> <p>(Y-5)</p>	<p>ACCEPTED</p>
<p>CONSENT AGENDA – NO DISCUSSION</p>	
<p>223 Appoint Mary Ann (Miki) Herman for a term to expire June 8, 2015 to the Home Forward Board of Commissioners (Resolution introduced by Mayor Hales and Commissioner Saltzman)</p> <p>(Y-5)</p>	<p>37058</p>
<p>Mayor Charlie Hales</p>	
<p>Bureau of Planning & Sustainability</p>	
<p>224 Authorize an Intergovernmental Agreement with Portland State University to accept \$75,180 to support an EcoPartnership with Kunming, China to advance low-carbon development (Second Reading Agenda 207)</p> <p>(Y-5)</p>	<p>186484</p>
<p>Office of Management and Finance</p>	
<p>225 Accept bid of Tapani, Inc. for the Carolina Pump Main Phase 2 Project for \$2,398,325 (Procurement Report – Bid No. 116295)</p> <p>(Y-5)</p>	<p>ACCEPTED PREPARE CONTRACT</p>
<p>226 Accept bid of CivilWorks NW, Inc. for the NE/SE 50's Bikeway: NE Thompson to SE Woodstock - Rebid for \$705,360 (Procurement Report – Bid No. 116296)</p> <p>(Y-5)</p>	<p>ACCEPTED PREPARE CONTRACT</p>
<p>*227 Approve a License Agreement with Soccer United Marketing, LLC for use of the Official Flag of Portland including specifications for variations to City Code Chapter 1.06 (Ordinance)</p>	<p>REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION</p>
<p>*228 Authorize an Intergovernmental Agreement between Bureau of Technology Services and the Mt. Hood Cable Regulatory Commission in the amount of \$50,000 to fund equipment that will be installed on the Institutional Network for Portland Public Schools and Multnomah Education Service District (Ordinance)</p> <p>(Y-5)</p>	<p>186485</p>
<p>Commissioner Nick Fish</p> <p>Position No. 2</p> <p>Bureau of Environmental Services</p>	
<p>229 Authorize a contract and provide for payment for the construction of the Inner NE Sanitary Sewer Extension Project No. E10205 for \$1,100,000 (Ordinance)</p>	<p>PASSED TO SECOND READING MARCH 19, 2014 AT 9:30 AM</p>

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<p>230 Authorize a contract and provide for payment for the construction of the Kenton Sewer Rehabilitation Project No. E10357 for \$2,550,000 (Ordinance)</p>	<p>PASSED TO SECOND READING MARCH 19, 2014 AT 9:30 AM</p>	
<p>231 Amend contract with BergerABAM Inc. for additional work and compensation for the Tryon Creek Sewer Upgrade Project No. E10251 in the amount of \$267,267 (Ordinance; amend Contract No. 30003097)</p>	<p>PASSED TO SECOND READING MARCH 19, 2014 AT 9:30 AM</p>	
<p>Commissioner Dan Saltzman Position No. 3 Portland Housing Bureau</p> <p>*232 Clarify the eligible uses of funds borrowed from the Portland Housing Preservation Fund (Ordinance) (Y-5)</p>		<p>186490</p>
<p>Commissioner Steve Novick Position No. 4 Bureau of Transportation</p> <p>*233 Authorize an Intergovernmental Agreement with the City of Maywood Park for design engineering and construction of bicycle and pedestrian safety improvements at the intersection of NE 102nd Ave and Skidmore (Ordinance) (Y-5)</p>		<p>186486</p>
<p>*234 Authorize a contract with Nelson/Nygaard Consulting Associates, Inc. for development of a Two Year Workplan for the Portland Bureau of Transportation at an estimated cost not to exceed \$150,000 (Ordinance) (Y-5)</p>	<p>186487</p>	
<p>235 Authorize a contract with the lowest responsible bidder for the S.E. 136th Ave Phase 3: Division to Powell Sidewalk Infill Project (Ordinance)</p>	<p>PASSED TO SECOND READING MARCH 19, 2014 AT 9:30 AM</p>	
<p>236 Authorize a contract with the lowest responsible bidder for the S.E. 136th Ave Phase 2: Holgate to Foster Sidewalk Infill Project (Ordinance)</p>	<p>PASSED TO SECOND READING MARCH 19, 2014 AT 9:30 AM</p>	
<p>REGULAR AGENDA</p> <p>Mayor Charlie Hales</p> <p>237 Appoint a Google Fiber Project Manager for the City of Portland (Resolution) 15 minutes requested (Y-5)</p>		<p>37059</p>
<p>City Budget Office</p>		

<p>238 Approve funding for six Innovation Fund proposals (Resolution) 10 minutes requested</p> <p>Motion to remove PBOT Transportation Management Associations Partnership for \$35,000: Moved by Fish and seconded by Fritz. (Y-5)</p> <p>(Y-5)</p>	<p>37060 AS AMENDED</p>
<p>Commissioner Dan Saltzman Position No. 3 Portland Fire & Rescue</p>	
<p>*239 Authorize application to the Department of Homeland Security, through its Federal Emergency Management Agency for a grant in the amount of \$346,750 for three projects: the campaign against illegal fireworks for \$142,500, public safety outreach displays and trailer for \$156,750 and a smoke alarm/carbon monoxide detector awareness campaign for \$47,500 (Ordinance)</p> <p>(Y-4; Fish absent)</p>	<p>186488</p>
<p>Portland Housing Bureau</p>	
<p>*240 Authorize a ground lease, construction and permanent financing up to \$4,045,295, and redevelopment rights with REACH Gateway Senior Housing Limited Partnership, redevelopment rights with Glisan Commons Phase I Limited Partnership, and eventual disposition of City-owned property for the final phase of the Glisan Commons redevelopment project (Ordinance) 10 minutes requested</p> <p>(Y-5)</p>	<p>186489</p>
<p>Commissioner Steve Novick Position No. 4 Bureau of Transportation</p>	
<p>241 Assess benefited properties for street, sidewalk and stormwater improvements to NE 97th Ave and to NE Everett Ct in the NE 97th Ave Green Street Local Improvement District (Hearing; Ordinance; C-10035) 10 minutes requested</p>	<p>PASSED TO SECOND READING MARCH 19, 2014 AT 9:30 AM</p>

At 1:07 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 12TH DAY OF MARCH, 2014 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fritz, Novick and Saltzman, 4.

Commissioner Saltzman arrived at 2:07 p.m.

Motion to waive the two weeks' notice and give one week's notice to hold a March 19, 2014 evening hearing [6:30 pm] at Parkrose High School to discuss Utility Rates: Moved by Fritz and seconded by Saltzman (Y-4)

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Lisa Gamp, Deputy City Attorney; and John Paolazzi, Sergeant at Arms.

	Disposition:
242 TIME CERTAIN: 2:00 PM – Assess benefited properties for improvements in the Northrup Loop Streetcar Alignment Local Improvement District (Hearing introduced by Commissioner Novick; Ordinance; C-10034) 1 hour requested for items 242 and 243 Motion to replace Exhibit D, Summary of Objections: Moved by Saltzman and seconded by Novick. (Y-4)	PASSED TO SECOND READING AS AMENDED MARCH 19, 2014 AT 10:00 AM TIME CERTAIN
243 Assess benefited properties for improvements in the Portland Streetcar Loop Extension Local Improvement District (Hearing introduced by Commissioner Novick; Ordinance; C-10025) Motion to replace Exhibit D, Summary of Objections: Moved by Saltzman and seconded by Novick. (Y-4)	CONTINUED TO MARCH 19, 2014 AT 10:00 AM TIME CERTAIN AS AMENDED

At 2:50 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.

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.

MARCH 12, 2014 9:30 AM

Hales: Good morning everyone, and welcome to the March 12th meeting of the Portland City Council. Let me lay down some ground rules and courtesies first, and then we'll move to the roll call and the calendar. We welcome you all. If you are going to be testifying today, please state your name before you speak. You only need to give us your name. You don't have to do the address and phone number and email and all of that. If you are a lobbyist representing an organization, please disclose that and who you represent. You will have three minutes to speak on a council calendar item, if you are here to speak on one. And please be courteous about that, because others want to speak as well. Please testify only to the matter at hand on the council calendar item. So that everyone feels welcome, we ask that the members of the audience be courteous and respectful. Please don't interrupt someone while they're speaking, and clapping and other noise-making is simply distracting. If you agree with somebody, raise your hand. Disruptive behavior, of course, won't be tolerated. You will be warned and asked to leave, if that's the case. If you have handouts for the council in your testimony today, please give them to Karla, our clerk, and she'll distribute them to us. Again, thank you all for coming today, and Karla would you please call the roll.

Fritz: Here. **Fish:** Here. **Saltzman:** Here. **Novick:** Here. **Hales:** Here.

Hales: First, we want to start with some welcomes and some courtesies and proclamations. First we want to welcome Professor Yoshida and Professor Saito and students from a number of universities in Japan who are here studying Portland. They're learning about civic life, they're learning about how our city works, they're studying everything from engineering to medicine to arts and sciences, back in their educational programs in Japan. And among other things, they're not just coming here to study today, they are going to go out with Friends of Trees and plant trees. So, welcome. We're so happy to have you here and we hope you have a great visit here in Portland, and thank you for making Portland a little bit greener while you are here. Thank you very much, welcome. [applause] And I know, we violated our own rules, but it's a welcome. And now, we want to move to a proclamation this morning. We have some guests to welcome for that. Want to welcome Lawrence Maushard; John Wu, who's a widower of Sherry Wu, who's the namesake for this effort here this morning; Far Maushard; and Liz Orem-Bedel. Please come up. I'll read the proclamation, we'll give you a chance to speak, and thank you for being here today. They're here to speak about a disease that not many people have heard about, and yet it is a terrible disease and it afflicts a lot more Americans than I think we know. This is the proclamation, it says: Whereas, the nonprofit Portland-based Oregon chapter of the Scleroderma Foundation its predecessor organizations have tirelessly served the interests of the state and southwest Washington residents living with scleroderma and the related health care community since 1981 with special events, educational series, and its all-important regularly scheduled support groups; and whereas, the Oregon chapter of the foundation is hosting the 13th annual Sherry Wu Scleroderma Education Seminar free and open to the public on March 8th for the improvement of the regional medicinal and general public communities at Providence are center in Portland; and whereas, scleroderma is a chronic autoimmune disease of the connective tissue generally classified as one of the rheumatic diseases, it's also known as systemic sclerosis. It's a disease with symptoms that may be visible or invisible, and it's highly individualized. Involvement ranges from mild symptoms to life-threatening. And whereas, scleroderma affects an

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estimated 300,000 people in the United States, it's approximately four times more women than men developing the disease. It's not contagious, and not known to be inherited, but obviously still mysterious to medicine. The main types are localized and systemic. Long-time Portland resident Sherry Wu died in 2007 after a long struggle with scleroderma and with cancer, and she served the Oregon chapter with distinction for more than a decade as a board officer, awareness advocate, fundraising specialist, patient supporter, and education promoter. Sherry founded the chapter's free education seminar, which now carries her name, in 2001, and obviously, that's being carried on. Now, therefore I, Charlie Hales, Mayor of the City of Portland, Oregon do hereby proclaim Saturday, March 8th to be Sherry Wu Scleroderma Education and Awareness Day in Portland, and encourage all residents and citizens to join in the observance. So thank you for your advocacy and for carrying on Sherry's work, and welcome this morning.

Liz Orem-Bedel: Thank you. My name is Liz Orem-Bedel, and I am the president of the Scleroderma Foundation, the Oregon chapter. I have had scleroderma for 21 years. As you said, it is an auto immune disease that translates to hard skin. The word scleroderma translates to hard skin, a very painful thing. It can rob you of your lungs, it can rob you of your life, and at the very least, it can disfigure you. It does not care how old you are or if you have been fortunate enough to have been -- to have lived to adulthood when it hits. There is no known cure. Scleroderma is primarily a woman's disease, although not exclusively. The Scleroderma Foundation, my chapter in Oregon, hosts women, men, and an occasional youth with scleroderma. Our support group has been in existence for 30 years. Our youngest member is 11 years old. We have members up into the 70s. The Scleroderma Foundation has been working hard for decades to bring awareness and education for this disease. Let me tell you about Sherry Wu. Sherry was a scleroderma patient and a fierce advocate and motivator. She was also a wife, a mother, a sister, and my dear friend. Since Sherry's passing, her first grandchild has been born but she will never be able to hold that child. Her family has been robbed. Sherry was not there to help her daughter pick out a wedding gown, nor was she there to watch her daughter walk down the aisle. She wasn't there at the birth of this child. But she was there in spirit. We know that. To know Sherry was to hold her dear. She was not one to grandstand, or ever desired to be acknowledged for her accomplishments, all the while working tirelessly for awareness and education. I know that she would be very proud to have this honored proclamation in her name for the Sherry Wu Education and Awareness Day. And we thank you for that.

Hales: Thank you. Good morning. Would you like to add something?

Fay Maushard: Good morning. My name is Fay Maushard, and thank you for helping in raising the voice of scleroderma, so that people know this is a disease, very painful. Myself, I've been diagnosed since 1992. But before that also, I had the rash, when I was in university in Massachusetts, I remember it was very bad. Even my teacher was involved with that. None of the doctor could understand why I have that disease. And they didn't know it was scleroderma, but since 1992, when they said that you have the scleroderma, they said I couldn't believe it, but I said it's scleroderma. Derma means it's skin. It's an allergy. The doctor didn't tell me until I got my lung collapsed, and it was a problem. In 1995, I had a lung biopsy, interstitial disease, lung disease, and sarcoidosis. After that, also I had a tumor by 17 [indistinguishable] gradually grow, not like cancer, but it actually acts like that, because it's fast-growing. I had surgery and still, I have problems. My heart, my esophagus, and my stomach, all of them painful. And most of the time I'm in the ER emergency doctor for some problem, it involves everything. Joint and muscle, tendon, heart, and also my heart, I have a pace-maker implantation on September 10th, 2013. And recently, I had my right hand -- calcification was so bad. They had an incision and took it off, but I got very involved, and they said, I got it and [indistinguishable] because it's so sensitive and it's cold even in warm. Because it's sensitive, my immune system can't protect and I get problems. Anyway, I have a lot of

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pain but I do not want to just say that, I want to say thank you, thank you, thank you for raising and helping with scleroderma so everybody knows about this disease.

Hales: Thank you for being here and helping to raise our awareness and the community's awareness. That's an important part of any medical advancement. We have great doctors and researchers, but it takes patient advocates and support groups to both help people deal with the reality, and also support the research that we hope will lead to a cure.

Maushard: A lot of people, they don't know. Even some doctors don't know. When you say it's scleroderma, they think it's just skin, no, it's not just skin. Because all the rest of your body has layers, the connective tissue is involved. That's the nerves and tendons and joints, everything. And unfortunately, some people like me change a lot. I itch. Still I have a rash. But not all of them, but some of them, I am unfortunate, I have all the cases. There are a lot of people, they have lost their legs, lost their hands because of that. But they still don't know. And they thought it was 200,000 but it's more than that, because was in Chicago of 1995, it was 300,000. No, it's more than that. Know it's a lot, more than that. And men also are more involved, too.

Hales: Thank you both for being here. I don't know if you'd like to do a photo with the proclamation, but we have the proclamation for you.

Orem-Bedel: We'd love to.

Hales: And maybe the council would like to join you here. [applause] Thank you and good luck. Appreciate what you are doing. OK. Let's move to the calendar itself. We have some communications items lined up, 216 is first.

Item 216.

Hales: Kristen, are you here? All right, next one, please.

Item 217.

Hales: Is she here? Kris? OK. Then --

*******:** I would like to say something.

Hales: Beverly, we need you to sign up for these slots so let's get you to do that with Karla. But let's let Karla continue on with what we have got this morning.

Item 218.

Moore-Love: I've been informed he's not here.

Hales: OK.

Item 219.

Hales: OK, Kristopher, come on up. Good morning.

Kristopher Misener: Kris Misener. I would like to talk to you guys today about the sweeps that are happening. And they just need to stop. They really do. In my opinion, it's a violation of human rights. Back in the '90s, a federal -- the federal government came down and audited the city, and slapped a big fine on the city for overpopulation of the jails. People sleeping on mats for a violation of human rights. It's basically the same thing out there on the street. All they're doing is sleeping. Also, I would like to talk about In-Q-Tel and the program going on. We got a big grant and brought the CIA into surveil the houseless. In my opinion, that's -- I mean, who is going to end up paying for that? The taxpayers. It's another way for the city to make money off the homeless. In my opinion. And I looked at this commissioner Reese's Prosper Oregon, and there is no help there. That is sweeping them aside, casting them aside, pushing them out. And that ain't helping nobody. I wish more people on the city council here would act and make decisions with a degree of morality -- more than Miss Fritz. I wish more people would look at it and more, at more angles with a degree of morality, rather than let's make a buck. Thank you.

Hales: Thank you. Next.

Item 220.

Moore-Love: I've been informed that she is not here, either.

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Hales: OK. Then let's move on to consent calendar. First, we've got a couple of items pulled, so I want to note those. Unless there is a dissent, we are going to return 227 to my office for more work, and someone has requested that we pull 232. So, in a moment, we'll take a vote on the rest of the consent calendar, but there's an item or two on there that I think that members of the council want to comment on. So, Commissioner Saltzman?

Saltzman: I would like to acknowledge that, with our consent vote, we are appointing a new member to the Home Forward board of directors, and her name is Miki Herman and she is here in the audience, along with the chair of Home Forward, David Widmark. So we are pleased to have Miki joining the Home Forward board.

Hales: Congratulations, and Home Forward is an amazing partner, and we have a lot to work to do. So thank you very much. Any comments? If not, let's take a roll call on the consent calendar.

Consent calendar roll.

Fritz: Aye. **Fish:** Aye. **Saltzman:** Aye. **Novick:** Aye. **Hales:** Aye.

[gavel pounded]

Hales: OK, let's turn to time certain item 121, and congratulations.

Item 221.

Hales: Good morning. Who's on first?

John Dutt, Office of Neighborhood Involvement: Let's started with introducing ourselves. I'm John Dutt with the Office of Neighborhood Involvement, and I manage our city and county information and referral program.

Carrie Popenuk, Water Bureau: I am Carrie Popenuk, the call center supervisor of the Water Bureau.

Tina Keller, Bureau of Transportation: And I am Tina Keller, I'm the administrative supervisor at the Bureau of Transportation.

Dutt: So we would like to start by thanking the city council for this time for us to present to you our latest citywide customer service advisory committee status report. This is our fourth report since the inception of this committee seven and a half years ago. This report and discussion is particularly timely, I think, because there are a number of current discussions and activities going on with regards to citywide customer service improvement efforts. Our report primarily highlights the work done across the city bureaus for the 2011-2012 fiscal year, but due to the nature of the data collection process and ongoing work with the bureaus, there are some things highlighted in the report that actually occurred into early 2013. Before we get started with our update, I would like to thank the committee members. In the report -- the very last page contains a complete list of committee members. All these staff are busy folks with full-time jobs that take a little time away from the regular duties to help with the citywide customer service advisory committee's efforts to see the improvement in customer service across the organization. So, I want to acknowledge that. And I would like to recognize Tenzin Choephel, who works for the City Auditor's Office and has been our staff support for the past couple of years. She helps us organize the meetings, develop agendas, write minutes, keep our website up to date, and is generally a document editor extraordinaire. Perhaps most importantly, Tenzin has an obvious passion herself for customer service excellence, which is demonstrated through her timeliness, accuracy, helpfulness, and commitment to service. So I wanted to take a second to publicly thank her for all the work that she does for us. For several of the current council members, you've been present at some or all of the previous reports, but I know there's a couple of folks that this is their first time. So I wanted to start with a bit of background. In 2005, Mayor Tom Potter conducted a community needs survey, and from that implemented a series of what he called bureau innovation projects. Bureau innovation project number seven was to improve citywide customer service policies and procedures. I and about 20 other city staff in addition to a handful of community representatives met for about a year to look at how city bureaus were at that time looking at customer service, and made a list of

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recommendations, including the adoption of some general customer service expectation documents, some recommended ways of serving customers, workforce development strategies, etc. In order to usher through these recommendations, the BIP 7 recommended the creation of an ongoing customer service advisory committee to work with bureaus to implement the recommendations. At that time, City Council accepted these recommendations and in late 2006, the committee was formed and began to meet. The committee first looked at the list of BIP 7 recommendations, and then broke them into three key areas that have been the focus of our work with bureaus and the evaluations since that time. The first area of focus was in creating a culture of customer service. This includes working with the bureaus to incorporate customer service as a key value and mission values and goal statements, strategic planning efforts, and customer service program efforts themselves. The second area is soliciting customer feedback. This includes surveying customers, focus groups, formal complaint processes, secret shopper programs, and other customer feedback mechanisms. And the third area was focused on workforce development. So that's everything from hiring, training, and evaluating employee performance for customer service. In November of 2007, we held a kick-off event and invited all the bureau directors and/or their designees, and here we explained the BIP 7 recommendations and our role as a resource to work with the bureaus to help them to implement recommendations and also to provide periodic status reports to council. We had several bureaus take us up on our resource offer, and then in 2008, we were able to gather our first set of status report updates as part of the budget documents middle process. As we started working with the bureaus in this way, we began collecting a lot of good examples of work being done across the city. So, we created a tool kit of examples, which we could use as we were working with other bureaus to show things that were going on and help them with their efforts. This tool kit of examples, as well as our committee meeting minutes and other resources can be found on the website, which is portlandoregon.gov/CSAC, which stands for Customer Service Advisory Committee. So you can check that out. Our first report then was given to council in November of 2008. At that point, the bureau budgets were pretty good and we did see a lot of new customer service improvement efforts and implementation of committee recommendations across bureaus. A couple of early adopters of note in that report were the Bureau Development Services, the Office of Management and Finance, Revenue Bureau, and the City Attorney's Office. Our second report to council was given in January of 2010. At that point, unfortunately, budgets had begun to decline. The Bureau of Development Services was hit most severely early on, and because of the budget cuts, were forced to discontinue a lot of the efforts we had highlighted in the first report. But then there were other things that we were able to highlight. Some very substantial efforts that had started in previous years were then starting to show results, such as Water Bureau and Portland Parks customer service improvement programs. There are also some smaller bureaus that we highlighted in that report, such as the Bureau of Planning and Sustainability, the Housing Bureau, and the Portland Bureau of Emergency Management that had gone through substantial reorganization efforts and did a great job of including customer service values in their reorganization and strategic planning processes. Our last report, which was in 2012, I think it was January, showed significant effects of bureau budget tightening. Frontline services had been cut back in many bureaus, customer survey and staff training efforts were largely cut, though many bureaus were still able to maintain a lot of their core customer service improvement efforts started in previous years. So, that kind of brings us up to the current time, but before I turn it over to Carrie and Tina, who are gonna highlight the items from the current report, I wanted to point out a couple of other important things about the report development process itself. The first is, for the past several years, bureaus had been required to submit updates on their customer service improvement efforts as part of the budget document submittal process. In an effort to unburden the bureaus and the budget office from having yet another piece of paper as part of the budget process, we have told the budget office that we no longer need this to be part of the process at this point because we now have established relationships

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with folks in different bureaus to help us directly provide those updates to us. And the report that you have is similar to past reports in that the main content is organized by bureau, with a two-page rating sheet that proceeds the written summaries. Important to note that this report is not an attempt to evaluate the quality of customer service being provided. We'll address the issue a little bit later. But today, we really don't have a mechanism in place that allows us to evaluate the quality of customer service being provided. So when you are looking at the ratings sheet and the summaries, realize this is not an evaluation of the quality of customer service but rather a status update of bureaus' efforts in these key areas that I spoke about earlier. On the ratings sheet itself, we used kind of a consumer reports style where a full circle indicates that that's something that a bureau has completed and is ongoing. A half circle indicates it's a work in progress, and then an open circle means something that's not happening right now. All right, so, I rambled on long enough. I'm going to turn it over to Carrie and Tina, who will briefly highlight some observations from our current report.

Popenuk: I'm Carrie Popenuk, again, I'm the call center supervisor with the Water Bureau. And overall, you'll notice in this year's report that the rate of customer service improvements have leveled off due to budget and resource constraints. Despite the challenges, many bureaus have continued with efforts in previous reports. Notably, Parks and Water. Many bureaus continue to engage in trainings that focus on customer service. Some examples include the Office of Neighborhood Involvement, who held trainings for their agents on how to work with those with mental illness; and the police bureau's advanced academy training included customer service competency and improving community outreach skills training. Customer service improvements included modernization to the transportation smart park cashiering system, as well as parking enforcement's use of ipads, which helps them to report and track problems more efficiently. The Bureau of Development Services is in the process of implementing a customer service convenience that they refer to as itap. This allows customers online access to services provided by the bureau and its partners. The Bureau of Planning and Sustainability implemented a curb-side collection schedule program to help remind customers of when the service days are. The Water Bureau implemented a pay by phone system allowing customers to pay their sewer, stormwater, and water bills 24 hours a day, seven days a week by phone using their credit card or debit card. We implemented this program in January of 2013, and in 2013 alone, we processed almost 42,000 payments, totaling \$9.9 million. With that, I am going to go ahead and turn it over to Tina, who will highlight the reinvigorated efforts as budgets that improved.

Keller: Hi, I'm Tina Keller. I'm with the Bureau of Transportation. As budgets are beginning to improve across the city, we are starting to see some reinvigorated efforts around the customer service. For example, the Bureau of Development Services is currently going through a strategic planning process, and they have focused on adding resources to programs that provide direct services such as inspection and enforcement. With their budget improvements, BDS have been able to conduct customer service trainings for their staff for the first time in six years. The Office of Management and Finance is implementing their 2012 through 2017 strategic plan and they have identified quality customer service as their first strategic theme. As part of that, they have sent staff to customer service training and are in the process of developing a customer service survey for its bureaus. At PBOT, we recently completed some administrative reviews, and in the spring, created a business plan with a focus on improving public access to information, and we launched our new website in 2012. The bureau hired an administrative supervisor, which is the role that I am in, and I've been tasked with reviewing bureau-wide customer access to services and streamlining business processes to improve customer points of entry. We're beginning with a customer intake review, and we will be working with a consultant to develop recommendations regarding business processes and best practices. In addition, all of the downtown frontline administrative staff will be attending

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training on emotional intelligence next month. John will wrap up with some recommendations for council.

Dutt: OK. So, those are just a few highlights. There's 18 pages there for you to read through, highlighting what's going on in each bureau over that time period. As Tina highlighted, talking a bit about her work with the Bureau of Transportation, the committee, looking at their business processes, and the way that they deliver services to their customers -- we believe a similar effort is needed citywide. Currently the city is somewhat limited in its ability to make customer service improvements because it lacks a coordinated approach to providing services to the public, and uses antiquated or insufficient customer management systems in a lot of places. Each bureau currently manages their customer relationships and service requests independently, which often results in a duplication of effort and lost opportunities for streamlining business processes. Currently, there is an effort underway to have a citywide business process analysis to determine if there is a centralized customer relationship management type of system, often called a 3-1-1 system, that would make sense for the city of Portland. I know currently there is an RFP to bring in an outside consultant that is nearing completion, so, the expectation is that somebody will be coming in soon to begin doing some of that work. So that is exciting. And we encourage council and bureau leaders to support this independent and comprehensive assessment of how the city delivers services to our customers and how we may improve into the future. Over the years, I've had a lot of opportunities to talk to other cities that have implemented customer relationship management 3-1-1 type systems, and the number one challenge that they all cite to implementing these systems is overcoming internal organizational resistance. So we can't stress enough the importance of your leadership and support, as well as the bureau leaders, to support this project in order for it to be successful. The other thing that I alluded to earlier, was the idea of a citywide customer survey. In the early years of BIP 7 and the customer service advisory committee, one of the recommendations was that we look at a citywide assessment of the community's perception of how well the city provides customer service. There were efforts back then to work with the Auditor's Office to see if an evaluation of customer service can be included in their service efforts and accomplishment survey at the time. After much discussion, it was decided that it wasn't an appropriate vehicle and we really needed a different type of survey to successfully measure public opinion of the customer service provision. As mentioned earlier, the customer service advisory committee is a volunteer committee without a budget, so this idea of conducting a survey really hasn't moved forward in recent times. However, in the past few months, the committee has had conversations with both staff from the mayor's office and the chief administrative officer's office. And there seems to be a strong interest there in developing some type of tool for measuring customer service satisfaction of the community at large, which we would be very supportive of. Lastly, we encourage council to support individual bureau investments and workforce training, best practices implementation, and customer input and feedback tools, as well as tools to measure customer satisfaction with city services. If and when budgets improve, we encourage council and bureau leaders to advocate allocating resources to restore and improve frontline services and strengthen customer service skills within our workforce. That wraps up our update, but we would like to give you all the opportunity to ask any questions of us or offer any insights that you have regarding future efforts to improve customer service across the organization.

Hales: Thank you for your report. I've got a couple of questions, and maybe others do, as well. One, John, for you in particular, are we seeing -- have we been seeing a decline in the traditional call volume to 823-4000 and other telephone entry points, versus the use of the web over the last few years? I would assume that's happening, that people are calling a little less and using the web a lot more. Is that, indeed, what's going on?

Dutt: I would say that that's true. I can speak for my call center, the city and county information line, that we definitely get a lot more stuff via email and service requests online. And our call volume has gone down a little bit each year over the last several years.

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Hales: And then there is a countervailing trend, I happen to see it here, an NPR story this week about the struggles of the California providers that are trying to transition people under the Affordable Care Act. And they were finding there were huge differences in cultural norms about whether people would participate in that kind of customer experience with government over the phone or over the web versus having some kind of face-to-face contact, and that that was pretty culturally specific. There's different groups that, in effect, the state is trying to market this health care change to. You know, part of the cultural competency issue that you are looking at, but I'm wondering if we know the scale of that problem in Portland. It seems like an intriguing finding that they were having, and literally in real-time, finding out whether or not they are going to get enough people signed up. And depending on who you are marketing to, within different ethnic groups within the state, they were finding huge differences in the connection, whether it was a face-to-face conversation involved or a web conversation or a phone conversation. Something else for us to consider as we become a lot more diverse.

Dutt: Yeah. I would expect that. And I guess the other thing that I would add, too, when you talk about the online stuff is, I've seen a lot of cities especially that have gone forth with these 3-1-1 systems, and they are much more capable of offering a lot of online services than we currently are able to. And I know that I'm an online person, so if I don't have to call somebody, I usually do my stuff online. And I know that there's a lot of people that way. But, that's another thing that I've that's very exciting about what some cities were able to do with enhancing the ability to do a lot of things online. And we, you know, like BDS and the itap project is a good example of that. I think it can really help. I think there's a lot of things that we could do a lot better with our online offerings.

Hales: Thank you. Other questions? Comments?

Fish: Yes, thank you, Mayor. This discussion reminds me of the discussion that we had last week about technology. It's really about how you have uniform systems within a commission style form of government where there's historically been an incentive for bureau by bureau innovation or progress, but it's more difficult to mandate system-wide conformity. So, you make some interesting comments in your report. I just wonder if you want to amplify. Assuming we don't change the charter and we continue with this form of government, if you were you know, king or queen for a day, what are some things that you would do to make sure that there is more uniformity in customer service?

Dutt: King for a day? Wow, OK. [laughter] Personally, I don't think that there's anything about our form of government that should prevent us from being able to do things better citywide. Like I said, most cities that I have talked to that have implemented any sort of citywide customer management systems -- it's a challenge no matter your form of government. But I think that, you know, that the support and understanding from the top of how it can be done and also selling it to the bureaus to some degree in terms of what it can do for them. Really, when you are talking about sharing data and using a common system, there's a lot of efficiencies that could be gained, and bureaus can focus on their specialty versus having to field any question they might get that doesn't really pertain to what they need to be doing. So, I think it can be done, but I do also think it needs to be supported at the highest levels for it to happen.

Fish: If I could follow up, you have a chart in your report that shows where we are in terms of the compliance by bureau -- where we are in terms of status, the status report. That's important, but that looks at it from the point of view of, have we completed the task, is it in progress, is it partially. What we don't really have is a way of gauging, in kind of comparative terms, how bureaus are actually doing. So, is there some metric out there where annually, we could see that the city attorneys are getting a b, auditor is getting a b plus, and fire and rescue is getting a c, and there is an agreed-upon matrix that, instead of standards, it's more customer-focused and less processed-focused in terms of where we are?

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Dutt: Yeah. I guess that's what I mentioned a bit about. Some sort of a tool to measure customer satisfaction that would be city-wide. A lot of the bureaus do survey customers or some of their customers, and, you know, this report kind of shows you which ones are doing it, which are kind of doing it. But, yeah, there's no -- it's all apples and oranges right now in terms of trying to really compare anything. As I mentioned earlier, we have had some conversations with a couple of staff and the mayor's office and the chief administrative officer's office that seem very interested in coming up with some kind of a tool. Again, I think it's kind of complicated in that we have so many different types of customers, you know. We're enforcing code on folks, and those are customers. We're helping them with reserving parks, that's a certain kind of customer. We have folks that are advocating for policy, those are customers. So, there's, you know, a lot of -- it's tricky. I think it can be done but I think we would need help.

Fish: I guess what I'm offering is something for you to think about in your good work is that by the time a report comes to us, we often are given information that sort of documents whether progress is being made towards certain goals and whether things are being done, and that's fine. But it does not give us the sort of, you know, kitchen's on fire type of information that could necessarily -- would necessarily lead us to take action. And it's a chronic issue that we have. We often -- we get updates where we're loathe to sort of call out problems of a certain kind. But if there was an agreed-upon ranking or something else that flags a problem so that the mayor or the commissioner-in-charge, or the council as a whole could dive in -- I don't know what that is. But, for example, we have all these different systems now for pay by phone. The one thing we don't really know is, from the customer's point of view, which is working. The Water Bureau has a pay by phone but it's not the only pay by phone system in the city. We're very proud of the pay by phone and monthly billing and all the innovation at the Water Bureau, but is our approach the right approach? Is PBOT doing an online system that has some innovation that we could learn from? And these conversations tend to happen in isolation, and I just encourage you to prompt us with ideas about how we can migrate experience, how we can make sure that best practices, even within our own roof, become the norm. And then, how do we call out shortcomings? We are polite showing we are in process. But what's less clear is, what's the problem area that needs our immediate attention? And so, anyway, just food for thought, and I thank you for your thoughtful work.

Dutt: We would love to have that sort of tool in place, but, I think it's a little beyond our current capabilities to, to do that, I think that --

Hales: You would need a mandate from us through the bureau.

Dutt: Yeah, I mean, this committee was never set up as an enforcement committee, it was an advisory committee. So, you know, that's part of the -- we want to be helpful to the bureaus, but we also want to provide updates to leadership about how things are going.

Fish: And the reason that I am flagging it is just to get your thoughtful consideration. Not to add more to your plate, but as you think about it over the next year, if you have ideas that you want us to consider, and maybe there's structural changes and maybe it's a new assignment for the CAO, and maybe it comes in the form of a mandate from the mayor in terms of the measurable progress or outcomes. I don't know what. But I think that that you might have a thoughtful perspective on things that you want us to consider.

Dutt: Appreciate it.

Hales: Other questions, comments? Please.

Novick: Just a couple of comments. Tina, Andrea Valderrama on my staff has been working with PBOT folks on -- following up with the mayor's comments on dealing with specific communities. So, she has been talking to folks about how to make sure that our outreach efforts on specific projects reach people, you know, immigrants and refugees, people of different languages, etc. It occurs to me that customer service and outreach are related, so I will ask Andrea to follow up with you on the customer service efforts. I also wanted to make a comment about BOEC, which is that

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BOEC continually wrestles with -- sometimes they write up employees for professionalism in dealings with customers, and it is sometimes a delicate balance there between, you need to end the call to get onto the next call to make sure that somebody is taken care of and safety issues are addressed, but you also need to be polite. And it's something that's -- they constantly talk to their employees about yes, you need to move onto the next call but you also need to leave people feeling respected. And that's something that they are continually talking about. One thing that they raised in terms of doing their own survey to determine customer satisfaction is they're not quite sure how to do it in a way that would be respectful to everybody. I mean, if you are calling somebody up who lost a family member in a deadly incident, I mean, you don't want a person brightly calling up and asking, how was your customer service experience? So, they were expressing to me that they would like some help figuring out -- I mean, if they have the resources to do it anyway, how would you do a survey in that complicated situation? So, apparently, Chief Reese worked with PSU to develop a survey on police issues, and we'll talk to him about how that worked. I just wanted to raise that customer service is something that BOEC thinks about a lot, and there's unique challenges there, I think, that they need to deal with.

Hales: Good points.

Fritz: John, could you talk about the 3-1-1 system and where we are at with getting that implemented?

Dutt: Well, my understanding is that, like I said earlier, there is an RFP in process to bring in an outside consultant to look at the city's current service delivery systems, and then see if there is a business case to be made for looking at a more coordinated centralized system that could involve CRM customer relationship management system, could involve a 3-1-1 call center. And I know it's Bureau of Emergency Communications that is in the lead on that, so working with Commissioner Novick's office. I'm not on the current RFP committee, but I know a couple people that are, and it sounded like that was supposed to be done near the end of this month. So, I think that the hope is that this outside consultant will come in and start doing some work shortly thereafter to meet with all the different folks in the bureaus to find out the current status of things, and come up with a plan to bring back to you guys about where we might go with that.

Fritz: Thank you. And for those watching at home, could you please get the number and the email address for the current information referral service, so if somebody doesn't know which office to call or what the staff member is --

Dutt: Yeah, so, the closest thing that we have to 3-1-1 right now is our information referral program, which is what I supervise. So it's 823-4000, our phone number. And the cityinfo@portlandoregon.gov is the email address if you want to do email requests of any sort, you can send emails there.

Fritz: Thank you very much for that service and thank you all for your customer service committee advice to us. It's very helpful.

Hales: Other comments? Well thank you so much, we'll see if we have anyone signed up to testify on this.

Moore-Love: No one signed up.

Hales: OK. Well, John, Carrie, Tina, thank you for your work and the rest of your committee's work. Thanks for a good report this morning. Let's take a roll call on accepting the report.

Fritz: Second.

Hales: OK.

Item 221 Roll.

Fritz: Thank you again. This is very helpful. And I read over my own goals and find I am failing because I have not kept up with my emails as much as I could have done. [laughter] Still, it's good to have goals. Aye.

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Fish: I want to thank you for your thoughtful report. The new secret weapon in my office is a guy name Aja Blair that we hired, and he used to manage the highest volume Starbucks in Oregon. As a Starbucks manager, he was fully trained in every aspect of their business model, and obviously customer service is at the top of the list. So, he's helping us to think through, you know, different ways of engaging the public and responding. And it's really helpful. Obviously, this is an ongoing effort. I want to just go back to something that I mentioned, though. We get a lot of reports and that has data, but what sometimes is equally helpful is a focus on where is a problem that you want us to address and act. That's the harder thing given the blizzard of information that comes our way. And so, I just encourage you to think about -- beyond the very useful information that tells us where our own bureaus, our own charges are in this process, is there something else that you would like us to do in the future, either at the mayor's office level, the council level? Which sort of is more proactive. And that may include policy changes that you recommend and how we manage these systems. So, thank you for your work. Aye.

Saltzman: Thank you, Carrie, John, and Tina and all the members of the customer service advisory committee for your report today. I take great pride -- one of my proudest achievements when I was the commissioner-in-charge of the Office of Neighborhood Involvement was consolidating the city and county information and referral, so I want to single out John and your shop because you do an outstanding job. When I need to contact somebody at the county and I don't know how to get a hold of them, I call you, and you put me through to the right people. I am just always amazed at how well you do your job, so thank you, and all of you for a good report, and you will keep us on our toes. Aye.

Novick: Thank you very much for the report and the presentation. I appreciate that this is extra work for you and I know that a lot of hours went into this, and it's very helpful for all of us. Aye.

Hales: It's been a good discussion. I think it highlights what you and your colleagues on this committee already know, which is this really matters, and it's big and complicated. While we were having this conversation, there were probably a couple hundred contacts between citizens and one or more of our bureaus. And as you said, all kinds of different customer experiences, whether it's a backed up sewer or how do I get a zoning change in the process to a crazy variety of things. And literally, thousands of times a day, there are those interactions. As it happens, I was having a conversation on Monday night with our acting CAO, who is actually really interested in this, and he knew about the report. And he said something, as Fred typically does, that was both wise and provocative. And it was, yeah, it will be tough to keep up with the competition on this. And I said, what are you talking about? He said well, the gas company and PGE both just won national awards for their customer service. They are in trade associations and they evaluate each other, and it is simpler for them because they have a narrower range of business, but he said they, apparently, in the country are the best in the business. So here we have citizens interacting with big, complicated bureaucracies -- some of them are ours and some are them are others -- and apparently, their customer experience with those other two organizations is really great. So, we have to rise to that standard, otherwise, we look like, you know, we're really a poor performer in terms of the customer service. And as is typical of Fred, he said something that made me think. And he obviously was paying attention to your work, and he was referring to this report. So we have someone as our acting CAO who gets this, and I think he will be helpful to make sure this work does get noticed, and not just validated, but maybe raised to the next level by the give of us here who have to send that kind of signal to all the bureaus in order to make more progress. Thank you very much. Aye. [gavel pounded] Good work.

Item 222.

Hales: Director James is here, and team, to talk about the work of this amazing group. Good morning. Welcome.

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Kyle Busse: Mr. Mayor, esteemed members of council, good morning. Thank you for the opportunity to speak with you today about the work of the City of Portland Human Rights Commission. My name is Kyle Busse, and I chaired the commission from October of 2012 until January of 2014. The written materials that I provided are intended to report on the activities of the Human Rights Commission during my tenure as chair. As you know, the commission exists within the Office of Equity and Human Rights, which is directed by Dante James. Before I get started I wanted to let Dante say a few words about the work of the commission from his perspective as bureau director. Dante?

Dante James, Director, Office of Equity and Human Rights: Thank you. Mr. Mayor and council, good morning. I'm certainly pleased to be able to do the introduction to this report for the Human Rights Commission. As you know, they sit under the umbrella of the Office of Equity and Human Rights, and I think you will be hopefully pleasantly surprised by what you see has been their activities under the leadership of Kyle, who I think has done an excellent job in -- some sense -- challenging the commission to do better, be more visible in the community, be more engaged with the community, and be more of a spokesperson, spokes-entity, if you will, for human rights in this city. As a volunteer commission, they put in a lot of work and a lot of hours. And it's not always appreciated or even recognized, the amount of time that they put into that. And certainly as a watchdog, sometimes, that includes or requires you to critique those who are your friends. And so, hopefully the appreciation of council and other members on that good work that sometimes speaks to issues that are important, that may sometimes take a countervailing view than others, is an important aspect of what they do. And so, I know that I challenge them, my office challenges them, to be more visible and be that spokesperson for human rights in the city and speak for and on behalf of the communities that are in need of being spoken for sometimes because they don't have the visibility or the band width to come and speak on behalf of themselves. So I truly think that they have done that this year, and I know in the leadership of the new president, Sonji Young, was unable to be here, and they will continue to do that good work. So, I just -- I ask you to accept this report and we will all continue to, to challenge them to be that good voice as they continue to do what they do. So, unless you have any questions of me, I will turn it back over to Kyle and the good works of the commission.

Busse: Thank you, Dante. So I am proud to have the chance today to reintroduce you to your Human Rights Commission. And in doing so, given this is a volunteer commission, I think it's important to recognize the service of our volunteers. So I would like to just name for the record our current Human Rights Commission. Sonji Young is our chair, who was elected chair in January of 2014 to succeed me. Linda McKim-Bell who is sitting to my right, is our new vice chair. She's been fantastic, and I will introduce you to her in a moment. Mayra Arreloa; Deyalo Bennette, myself, Moley Good, Ashley Horne, Allan Lazo, Abdul Majidi, Emanuel Price, Sam Sachs, Amy Samara, Damon Isiah Turner, and hopefully soon to be a human rights commissioner, the reverend Kate Lore from the First Unitarian Church. We're excited to have her onboard as soon as we're able to do that. So, I believe that the commission has done some great work over the last year and has also taken major steps towards setting up a framework for the commission to continue functioning at a high level as new commissioners are appointed to replace us in the future. When the Human Rights Commission was conceptualized and created in 2008, the policymakers responsible for the commission's existence seemed to have an ambitious goal in mind: to improve the lives of all Portlanders by making respect for the human and civil rights of Portlanders a meaningful part of the way that the city of Portland does business. The creation of the HRC was preceded by the acknowledgment that at that time, "we have no human rights entity that holds us accountable for fulfilling our commitments under the universal declaration of human rights." That's from the findings and recommendations report of 2007, which this council accepted in 2008. The HRC was created in the wake of that sentiment and a framework was suggested that focused on education,

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research, advocacy, and intervention. Four years later, in 2012, the commission was in a bit of a state of flux. The office of human relations was being dissolved, and the HRC was unsure where we were going to land. We used that uncertainty as an opportunity to revisit our founding principles and we concluded we needed to make internal changes that aligned us with the framework suggested by those who created our commission in the first place. To that end, we created a community discovery committee to focus on education, research, and outreach; the policy committee to focus on advocacy; and the communications committee to focus on education and outreach. All new committees that we've created and have been working on ever since. These committees are designed to focus on our core principles rather than on specific projects. In this way, we created an operating system that will function consistently into the future no matter the issue that presents itself. At the same time, we were able to maintain issue-oriented task forces to address specific community needs as well as maintaining the important community and police relations committee, which was created concurrently with the HRC back in 2008. And this is important because for the first time since its inception, the Human Rights Commission reached back to its core principles and created a long-term plan for staying focused on the mission for which it was created. I hope the resulting framework will allow for consistent, focused, and effective human rights advocacy into the foreseeable future. In addition to our organizational restructuring, we also implemented new procedures for responding to emerging issues and community requests that will allow us to streamline and prioritize commission responses based on the timing and urgency of those responses. We have also updated and improved our human rights impact analysis, which is a tool that we use to assess human rights impacts of policies and actions affecting Portlanders. Finally, we overhauled our bylaws so that we would bring them up to date with the changes that I have mentioned and also with the fact that we were no longer in the office of human relations. We're now housed in the OEHR, Office of Equity and Human Rights. As you can see, my tenure as chair has been very process-heavy. It hasn't made for the most exciting Human Rights Commission meetings, and we'll have to do something about getting people back to our meetings so that they understand that they can be more exciting and more topical. But I think that we were topical, as well. And given that we are a volunteer commission that meets as a voting body just once a month, I would submit that these sometimes tedious efforts representative real progress in ensuring we maintain a meaningful human rights entity into the future. Leaving process behind, I would like to touch on a few of the accomplishments of the commission. 2012 and 2013 saw the introduction of two events that we hope will become landmarks, I'm sorry, hallmarks of the HRC and the city of Portland. And the first, which was introduced in December of 2012 in celebration of international human rights day, is the Emily G. Gottfried Human Rights Awards. The awards have now been celebrated twice in honor of outstanding human rights achievement in the categories of emerging leader, outstanding organization, and lifetime achievement. As you may know, these awards were conceptualized by the late Emily G. Gottfried, an HRC commissioner and human rights champion who we tragically lost in January of 2013. The awards were renamed in her honor this year, and the HRC will continue to shine a light on human rights achievement through this annual award celebration. For those of you who are able to make it to the awards, I thank you, and I think you will agree that Emily was onto something powerful. We hope to see you all there again next December. In June 2013, the HRC hosted the first human rights roundtable, which gathered human rights advocacy groups together for the first time to share their experiences and thoughts on human rights issues in Portland. More than 40 advocacy groups were represented at the roundtable. And the HRC was able to collect meaningful data on the community's perceptions about how our city addresses human and civil rights, along with practical input about how we might address perceived areas of improvement from those groups. And as you could see from the materials, community feedback was overwhelmingly positive. With 97% of participants reporting that the roundtable objectives were relevant to their work, 97% reporting that they would like to collaborate with the HRC in the future, and more than

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eight out of ten reporting that they met leaders at the roundtable who could benefit their work. The HRC published a 32-page report and a much shorter summary of the commission's findings arising out of the roundtable, both of which can be found on the HRC webpage. To my knowledge, these opinions have never been collected before in a central location, and I would encourage council members to review them. Although they are many and far reaching, it's a unique measure by which to gauge community sentiment about how our city is treating its citizens. Finally, the community and police relations committee deserves a special mention for its efforts to create dialogue between the community and its police officers. In April of 2013, the CPRC was awarded the Portland Police Bureau achievement medal for helping to coordinate and facilitate training for all PPB command staff on issues including institutional racism and community demographics. The CPRC extended the training to all PPB sergeants in November of 2013. These are among the many accomplishments of this important committee of the HRC which continues to work on building bridges between the community and our police bureau. As noted in the materials, these major projects are just a fraction of the work taken on by our commission. In addition to these events, the HRC and its committees and task forces have committed substantial time to issues such as human trafficking, housing rights, the rights of Portland's homeless, immigrant rights, and police accountability. We expect to continue our meaningful work on these projects and additional human rights issues as they inevitably emerge. Given the effort we've made to lay the groundwork for effective human rights advocacy, I am optimistic the commission's future is a bright one. And we hope that you will be a part of that future, because as a volunteer commission full of people with busy lives and busy jobs, we can use all the help we can get. I am not here to ask for more money or additional resources for the commission. But it should be noted that we are attempting to carry out a mandate that was conceptualized by the findings and recommendations report of 2007 which suggested that to accomplish its mission, the commission should be staffed by a full-time director, as well as a full-time administrative assistant, communications and outreach specialist, and researcher. We are currently given access to the part-time services of a single employee, who we appreciate immensely. I understand the limitations of the city's budget, so rather than asking for additional resources, I'm asking for your help in accomplishing the ambitious mandate given to our volunteer commission. Whenever you can help by getting involved in commission activities, interfacing on human rights issues affecting Portlanders, dispatching your advisors to our aid, or just coming to a meeting, that will go a long way toward demonstrating the city's commitment to doing just what it is set out to do in 2008, making respect for our human and civil rights a meaningful part of the way that the city of Portland does business. At this point, I would like to introduce you to our HRC vice-chair, Linda McKim-Bell, who has been elected for the 2013-2014 term. Linda's level of passion and dedication for this work is really remarkable, and she has been a great ambassador for the commission by attending countless events around the city, you've probably seen her as many of them, and she is really getting the word that we're out there. And we are so lucky to have Linda onboard. And so Linda, would you like to say a few words?

Linda McKim-Bell: Thank you, Kyle. I'm Linda McKim-Bell, and I'm the vice chair of the Human Rights Commission, and I'm grateful for the opportunity to speak with you today and for the honor of serving as vice chair of your human rights commission. And I just wanted to take a moment to give you a preview of what's coming up in 2014, which should be an exciting year at HRC. In the next few months, HRC will be continuing our advocacy for the rights of our houseless population. We hope to facilitate a discussion amongst stakeholders on that issue, including our bureau partners, city leaders, and advocacy groups. The human trafficking task force will continue its outreach and education efforts for trafficking survivors and we will be hosting our second annual human rights roundtable this year. Long-term projects for 2014 are inspired in part by the findings from last year's human rights roundtable and include an increased community presence by holding HRC meetings throughout the city, an up to date human rights community events calendar, and a continued focus

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on community and police relations. Our members have attended over 80 human rights related events around the city to continue to connect with and listen to the public. And we'll continue to be as active in 2014. We'll also continue our yearly tradition of celebrating human rights achievements at the Emily G. Gottfried human rights awards in December, and we welcome your presence at this event. We look forward to keeping you up to date on HRC programs and encourage your participation whenever possible. We also extend an open invitation to all council members who are able to join us at our commission meetings, which take place on the first Wednesday of every month from 4:00 to 6:00 p.m. Thank you.

Hales: Thank you both. Questions for Kyle and Linda? Thank you very much.

Fish: I have a couple. And Kyle, when does your term end?

Busse: My term ended January of 2014.

Hales: As chair.

Busse: As chair. And, oh, geez, my term as HRC commissioner, I believe, ends either --

Fish: I meant as chair. So, as of January of 2014?

Busse: Right, I am no longer chair.

Fish: I just want to compliment you for your service as the chair. You were the first chair during my service on the council who asked for standing meetings, or regular meetings, with commissioners to update them on the work of the -- I really -- we appreciate that greatly. You have built bridges of understanding and you kept us in the loop, and I hope that that's the standard that other chairs follow. Second, I don't think that people fully appreciate that you are also a partner in one of the leading civil rights law firms in the city, and you are balancing this assignment with your day job. So we are appreciative of the fact that you do that. Third, I want to ask you about housing because there's two issues on the horizon, which I don't know whether they are in your list but I want to pitch them as ideas. The first is that the City Club is doing a study on homelessness and the city/county systems and funding, and I hope that you'll weigh in on that and seek to be part of -- make sure that you're interviewed and have a voice as they work through their report. And the second is that Speaker Kotek -- I don't know whether she has done this formally or informally -- has asked Representative Reardon from East County to chair a work group on what's called inclusionary housing. Now, most cities in the country have something like inclusionary housing, inclusionary zoning. And during periods of time that we're experiencing now, where there is a bull market on permits and buildings, it helps to address the gentrification and displacement components because it requires developers to put affordable units in each development. We're one of the few cities and states in the country that preempts local jurisdictions in doing that. Interestingly, the current head of HUD, the secretary of HUD, helped to pioneer near this model in New York City where it was used to some effect. Representative Reardon will be looking at bringing potentially something forward in the next biennium, and we know from Speaker Kotek's work on Section 8 reform that she does it in a very collaborative and thoughtful way. So I would urge the Human Rights Commission to weigh in on that, possibly even have someone serve on the committee, so that your voice can help to move that process along. But mostly I want to just say, you have been a remarkable leader for this organization and I thank you for your service.

Busse: Thank you very much.

Hales: Other questions or comments for these volunteers? Thank you very much. I appreciate your report. We'll see if anyone else wants to testify and we'll take action. Thank you very much.

Busse: Thank you.

Hales: Anyone signed up?

Moore-Love: Yes, we have four people signed up. First three, please come on up.

Hales: Good morning.

Joe Walsh: My name is Joe Walsh, I represent individuals for justice. It is very difficult for us to criticize volunteers, so I have a suggestion. Why don't we take the Human Rights Commission and

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pay them. I want people to come before the council that are making some money so when we yell at them, we have some reason. When I ran for Congress, one of the biggest problems that I had was with volunteers. You can't yell at a volunteer. They will not come back. They will tell you to go away, sir. So, it is very difficult for us to sit here and criticize the Human Rights Commission because basically, it is made up of volunteers, and I think that I heard this morning, correct me if I am wrong, a plea to have some money. We have money in this city. We have \$2.4 million that Commissioner Saltzman is going to talk to you about today to build an office building. So we have money. It's the priorities that we set. And this Human Rights Commission needs to get out into the environment. We have people that are on the streets that need some human rights. They talk about people being on the streets, but they are volunteers. They go to a meeting once a month and they throw around concepts. They need to go -- I've been on the streets now for three years, working with the homeless. I'm not homeless, but I work with them. I volunteer to work with them. No Human Rights Commissioner ever came up to me and said, hey, Joe, what do you need? Now I've been here with you guys, and I know every one of you. And I know your staffs because I am here. But I'm also in the streets. And I don't know one person on the Human Rights Commission because they have never approached us. And I just asked a friend of mine who is a veteran for peace, have they ever approached you? And he said, no. So what are we doing, folks? We're sitting around and saying, we're doing a great job. No, we are not. We are failing. A person on the street that wants to get off needs human rights. And there is a thing going on right now called the bill of human rights, and the Human Rights Commission ought to shove it in your face and say, damn it, we need some help. Thank you.

Hales: Good morning.

Angela Hammit: Hi, my name is Angela Hammit, and I just wanted to thank the Human Rights Commission for their volunteerism. I also have questions about why -- I've been homeless for going on two years now, and I have never seen any volunteers come out and talk to homeless people whose rights are being violated every single day. And it's the police officers that I see doing that instigating. They instigate, they do not deescalate, they instigate, they encourage, they try to provoke the homeless people to get angry with them so that they can violate their rights, you know, with a cause. And I would encourage the volunteers to go out into the streets and to talk to the homeless people. They don't even know that they have any rights. They just -- being homeless is the most traumatizing experience I've ever had in my life, and I've been through some traumas. But this one, this one -- I don't even know what to say. I would encourage you all to participate in their meetings to do your civil duty to find out what is actually happening on the streets to people's rights every day. Thank you.

Hales: Thanks. Good morning.

Beverly J. Palotay: Good morning. You know, I voted for you.

Hales: Good, just give us your name for the record.

Palotay: OK. My name is Beverly Palotay. And I am a citizen of this state and I care about Portland, Oregon because I live here. But, we are having a lot of problems with the homeless. I'm a missionary Catholic, a sister of St. André Bessette, a Roman Catholic Church. I'm a Roman Catholic. And I served for seven years as a volunteer, two hours a morning, helping the homeless, reaching out to care centers, people there, praying, teaching, counseling, and a whole variance of things, and trying to supply their needs and tell them where they can go and get help. But we really need to help the homeless more here in this city. It's really profound and well needed. We need housing. We have got all these buildings just vacant, and you can open them up and just put shelters or housing or activity centers in there and get them off the streets. My church says that they would be happy to come and volunteer. All you have to do is ask. We have plenty of them. And what we don't have, other churches will join in and help. And get these poor people off the streets and get them some kind of a life or activity, shop going, where they won't have to be homeless any more out

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there. It's just like caged animals, ready to attack. You know what I mean? They don't have no source. They don't have no hope. And they just very, very upset and unhappy, and they really need our help to get them back on track. And what I'm asking today for you to do is give them more help, open these places up, get volunteers to come in, and just get them housing where they won't have to be on the streets and getting into trouble every day. We can nip this in the bud if we try. It's not that hard. But we need to all pitch in and do this. And it doesn't take much. And god will bless us more. That's all that I have to say.

Hales: Thank you for what you are doing. Hopefully we can get more churches to step up like you and your church.

Palotay: Any time you need our help, just let us know. God bless you.

Moore-Love: Is there a Kathy or Michelle?

Kathy Bushman: [inaudible] I think she spoke better than I could.

Hales: A hard act to follow. OK, Kathy. Thank you. Anyone else? Come on up. Good morning.

Michelle Mundt: Thank you, Mayor and Council, for listening to us and having such an open discourse all the time in here.

Hales: Just give us your name for the record.

Mundt: My name is Michelle Mundt, and I may not be on track but it will be short. The behavior of the police and doing their sweeps -- I witnessed four days ago, and I witnessed abuse, physical abuse, and I witnessed blood on people five times in the last eight months. Without looking for it, really. That's a reference that I probably am not tying it together but you are open, and I don't expect anyone to do too much about it, but we're being open so let's keep that up. Human rights, yes, are violated on a daily basis. Many by the police, but they're working in collusion with all the other armed enforcements, militarization, that's fine. Your own union, it's not open right now, I guess. The word that I want to say, for all your purposes, and all your topics, is shared governance. And college is trying to do shared governance, and we're not doing it, and all the issues here is a superficial analysis -- I don't want to be critical, so I will stop. But shared governance would help, that would be others to have a voice in the actual allocation of the contracts, which you guys bless contracts, and that's fine. But it isn't doing anything for human rights and people without a blanket and having their stuff stolen from them. My time may be up, but on a daily basis without looking for it, a random person on the bus told me the new word for when they -- that would be authority, which of the different armed, militarized, uniformed security forces within Portland, of about eight different types that you have now -- is called absorbed, when her stuff is stolen from her, including the ID, which is kept. And also others, my eyewitnesses, their belongings are kept by the jail. Laptops and cell phones. And that's a regular thing, plus cutting people's shoelaces on the way out of jail, purposely letting them out in the middle of the night, and then there is an incidence because of that. I know I'm rambling, I am glad for the openness. I don't expect anyone to do anything in this in this type of system. You should look to Seattle. I am trying not to be critical but at least you are open and you're letting other people say the real issues without addressing it from the city side, because you're not in control of your police department. It's a separate thing. It's not even within your city. You have no idea what they are doing. You have no clue what they're doing. Even with their money. So, that's critical and I wasn't going to do that, so I am sorry, and thank you for letting me talk at all.

Hales: Thanks for being here. And I hope, while you're in the building, you can stop into the Independent Police Review office and let them know about any incident you saw that was --

Mundt: There are too many for me to track, and the others are getting physically abused so far where it's been the parts where I would be able to -- eyewitness -- You're not listening to it, it's already known, it's been said a million times. Yeah, I have about 10 incidents that I could -- I have them documented at home, but I don't expect any in this type of venue. I don't expect it to -- you're not in control of your police, so I don't see what good it would do to tell you.

Hales: Well, that's what the IPR system is for.

Mundt: They are out of control right across the street from you. Out of control.

Hales: Thanks.

Mundt: Sorry. I love everyone, everyone is great. Even those police, I'm gonna love them.

Charles Johnson: Good morning, Commissioners. I would like to thank Michelle for her remarks and also connect to an issue that Commissioner Fish raised earlier. He talked about better integration and connection between departments so that the programs that the city's got going on are able to improve their quality by communicating back and forth about what works and what doesn't. And I think that you mentioned just now, Mayor, the IPR, and I think that we should probably do a better job -- all of us -- of sharing information with our fellow citizens about their human rights. If a citizen of the city were to take a walk right now from the MAX station that's called Skidmore, they would probably see that just out of the blue, the city has decided to close access from the MAX station to Naito Parkway. We don't know what the premise is. We closed some public access. We don't know if the proper procedures have been followed. We do know that a person was injured down there, but the people who are most frequently down there know that the reason that this is happening is to push them into a darker corner. Not to make them safer or better served, but just to push them out of the lights that shine from the University of Oregon's white stag building, and that's really some place where the -- even though I've enjoy going to the human rights commission, I know that they are volunteers doing their work, that's really some place they need to walk right now, is under the Burnside Bridge on the west side, and see where the city has illegally, probably, closed the sidewalk next to the white stag building because our out of control police cannot help the neediest citizens get properly connected with services. I would like to thank the Human Rights Commission whether they go down there or not for the time that they invest in helping the city be a great place to live. I'm glad to live here, and I know that we do put some energy into fixing our issues, but sometimes we get off track, so it's great to have the volunteers like the members of the Human Rights Commission and the Office of Equity and Human Rights working on trying to keep us on track to be a great city. Thanks y'all.

Hales: OK. Anyone else?

Moore-Love: That's all who signed up.

Hales: OK. Further discussion so that we need to take a motion on the report.

Fritz: Move to accept the report.

Saltzman: Second.

Hales: Roll call, please.

Item 222 Roll.

Fritz: Thank you very much for super volunteers, above and beyond the call of duty, and indeed, the call of being willing to serve on the Human Rights Commission. Kyle Busse, thank you so much for your leadership. You have, as you said, dedicated a lot of time to process. And I think that setting the process up correctly is a necessary foundation for the good work which the commission will do from now on. So, thank you very much for doing that. Linda, thank you for being here this morning, and I know that you are passionate about outreach and letting more people know about the Human Rights Commission and the work that you do, and I think that that's the next step. Now that you have a good foundation and a great commission -- thank you for reading the names, Kyle of the people who are serving. The next step is to involve more of the community. It's wonderful to see in your report photographs of some of my friends who live outside and who advocate for people living outside, so I know that you are very aware of that as perhaps one of the most pressing of our human rights issues in Portland, along with human trafficking, which that committee is also doing good work in shining the light on the tragedies that are happening on our streets. So thank you for what you do, and thank you for this report, for presenting it, and thanks to Dante James in the Office of Equity and Human Rights for providing the staff support. I do commit my bureaus to assisting you

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in whatever you need as far as information or outreach, however we can help, we'll be very glad to partner with you. And I am looking forward to attending again the Emily Gottfried human rights awards. Truly a good, active way to commemorate one of our early human rights commissioners who is still part of the heart and soul of this committee. Aye.

Fish: Kyle, again, thank you for outstanding service. And thank you, Linda, for joining us today in your testimony. The Emily Gottfried luncheon is one of the most uplifting community events we now have on our calendar. It's a two box of Kleenex event when the Gottfried award is given and the history is told. Also, thank you for that. Inclusionary housing, homelessness, let me throw in pay equity. The City, we hope, is going to embark on a pay equity analysis as part of looking at class comp. And that, I think, fits within your wheelhouse as well, so let me park that issue. And then, thank you for the report. I was proud to support the re-launching of this commission, and it's reports like this that I think vindicate the support you receive from the community and from this council. So thanks very much. Aye.

Saltzman: Well thanks to the commission. It's a great report. And I want to particularly single out Kyle. Thank you for your leadership, particularly through a time of transition as you moved from one entity to another. And I really -- so time spent on process was probably time well spent and will give a solid foundation for the commission to pursue the many substantive activities that you outlined to us on your report. Thank you very much. Pleased to support it. Aye.

Novick: Thank you very much for the report and for your work. I just wanted to take note of some of the advocacy enterprises you have been involved in that are noted in the brochure. I mean, I really appreciate your work on issues from advocating in support of the Voz workers' rights education project, five year plan for a permanent home, for the sick leave ordinance that we passed last year, for support of house bill 2639 to end housing discrimination against Section 8 voucher holders. And I really appreciate your commitment to working in a variety of ways to advance human rights. Aye.

Hales: You know, we think this is normal that the city of Portland would foster a citizen organization that's free to criticize anything that we do. We think that's normal here. It is not actually normal in other cities, but we're happy that it's normal here. Actually, there's a long tradition of that which this commission is part of. About 40 years ago in this room, then city council made a controversial decision to provide staff support for neighborhood associations. The mayor at the time didn't like the idea very much and thundered that this was going to be funding the opposition. And yeah, we did. And, yes, we do, because you're free to take up the issues that you think matter in terms of human rights and advocate policy as you've done and the examples mentioned here, like sick leave. And raise the issues in the community that maybe people other than elected officials also need to pay attention to. So, we appreciate that. And as you hear, we support it. And it's a big job as a volunteer to take these on. We know you do it out of passion and we appreciate that. Thank you. Aye. [gavel pounded]

Hales: Let's move to the regular agenda and we will take up one item pulled from consent.

Item 237.

Hales: Good morning, Mary Beth.

Mary Beth Henry, Office of Community Technology: Good morning, Mayor and Council. I'm Mary Beth Henry with the Office for Community Technology. I'm very happy to be here today to speak about the google fiber project. I have a short PowerPoint and we have a couple of people to talk in support, but first I wanted to say, Happy Birthday. Whose birthday is it? Today is the birthday of the World Wide Web. It was 25 years ago today, March 12th, 1989, that Sir Tim Berners-Lee conceived of the World Wide Web. At the time, his boss thought the idea was vague but exciting. I think today we would say it is anything but vague and very exciting. So let's go ahead and get started with the PowerPoint. Why is google fiber important for Portland? Because it really represents the infrastructure of the future and it's the foundation for economic development, excelling in education and health care. And the difference between what we have today in terms of

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internet access and gigabit fiber, is analogous to the difference between dial-up, for those of you who remember, and what we have today. So, it's very major and it really is a game-changer. In 2011, the council unanimously approved the broadband strategic plan. And the broadband strategic plan called for fiber to the home and it set forth objectives to make Portland fiber-ready. So what google is asking for had already been anticipated in a plan that we have embarked upon. A critical part of that plan is digital inclusion. If you look at this map, you'll see that there are pockets of our community that have only 40% to 60% penetration of internet. We did a study and found that overall we may have an 80% take rate for wire line internet at our homes, but for those households with income of \$30,000 or less, we have only a 50% wire line internet take rate. So, this is an area that is very important to us and that we will be very cognizant about as we move forward.

Broadband speeds. I think it speaks for itself. In this data base, Portland places 200th among the cities in the data base. And this data we looked at yesterday. And you can see google fiber in Kansas City significantly higher. South Korea is always touted as the most wired nation in the world. So what is this going to look like? If google fiber -- and I hope it is when google fiber -- decides to deploy in Portland, this is the process that they use. They plan the network, and that is they review all of the data, they look at the permitting processes. And stage two is designing the network. And in designing the network, they will require fiber huts and telecom cabinets. For the Portland metropolitan area, they are expecting that they will need 20 to 30 fiber huts. The fiber huts are really the electronic brains of the network. In terms of telecom cabinets, which are four feet by two feet by two feet, they are looking at a need of approximately 250. And then in Portland proper, we are 80% aerial. So, most of the fiber to the home would be strung along utility poles to reach the home. Now, google has an interesting model, a build by demand model. And we look to Kansas City to see how this process works. They basically assign fiberhoods in a city. So, in Kansas City, which is a couple hundred thousand population less than Portland, they have about 200 fiberhoods. So the fiberhoods are significantly smaller than what we see as a neighborhood. We have about 95, you know, recognized neighborhoods. I would expect each neighborhood to have many fiberhoods. They have sign-up goals, which doesn't obligate you but gives an idea of an interest. Once a fiberhood reaches a certain threshold, then google will bring fiber to the home. In terms of the products that they plan to offer, they have TV product and then a gigabit internet product. In terms of the pricing -- since people are very interested in this -- for the symmetrical gigabit product, right now it's about \$70 per month, and the TV product is about \$50 per month. Again, this is taking the information from what they're doing in Kansas City. These are the collaborating jurisdictions: Beaverton, Gresham, Hillsboro, Lake Oswego, Portland, and Tigard. I'm happy to say that we've already met with the city managers and that each of the jurisdictions has appointed a project manager that we are working with on a weekly basis. It's important to remember that this is a regional effort and we are collaborating with our regional partners to get this important infrastructure. In terms of Portland's google project team, people are going to make this happen. It's our staff that's going to collect the data and make this happen. And I want to highlight some of the excellent staff that we have. It would be a verbal marathon for me to list all of the people that are involved, but I want to highlight a few. From PBOT, Alex Bejarano, Peter Koonce, and Ryan Mace. From BTS, our GIS guru, who is actually going to be uploading these significant data bases, Matt Freid. Our very astute city attorney, Ben Walters. And from BDS, Andy Peterson. Planning, Phil Nameny. And from PDC, Chris Harder, Jarred Wiener, and Shelley Midthun. We have many other bureaus that are participating as well but I wanted to highlight those and let you know that regionally, TriMet, ODOT, the governor's office, Metro, and Multnomah County are all involved. So, it is really a true regional collaboration which makes it really exciting. Now, what is this fiber-ready checklist that we have been hearing about? Basically it's a lot of GIS data, some of which we already have available and will be uploading this week. In fact, it's available to any number of -- to anybody who wants to look at it. Things like addresses, the streets, our zoning, our jurisdictional boundaries, conduit that we might

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be able to lease to private company. Another area that we're looking at is our right-of-way permitting and construction permitting. Are those processes transparent? How long do they take? And what are the costs? It's really just outlining what the processes are so that google understands. When does this need to happen? Fairly quickly. The deadline is May 1st to have this information uploaded, and we are not waiting until May 1st. As I said, we have some databases that are ready to go. Because, again, this was anticipated as part of our broadband strategic plan, which both Commissioner Fritz and Commissioner Saltzman showed great leadership in. We are already well on our way and the information will be available to any company that wants to deploy fiber to the home in Portland. We do have a couple of people who need to get to some meetings, and I'm happy to answer your questions, but I wondered if you would indulge us to allow them to testify and then move with questions.

Hales: Thank you, please.

Leslie Reister: Thank you. Good morning. My name is Leslie Reister, I'm the associate vice president for technology solution services at Portland Community College. Our service district pretty much encompasses the map you saw there. We have well over 90,000 students, and that's just us. If I were to represent all of the educational entities in this city, the number is far higher. Fiber to the home extends educational opportunities and support services in ways we've only dreamed about. Students can meet face to face with advisors, their professors, and each other without leaving home. They can attend and interactively participate in classes and study groups from home. Students can collaborate with researchers from around the world on projects that require high bandwidth and time commitments, and make doing that from home more practical. Truly high-speed access to the internet enhances the quality of the experience in ways that make interacting with the world exciting and empowering. It opens the door to new ways of teaching and learning that may seem like science fiction but are actually possible today with sufficient bandwidth. Holographic computing, gestural computing, simulations, virtual reality, real-time data manipulation, video and music creation and editing, all of this is possible today if you have gigabit speeds available. Our workforce training and continuing education departments are excited about providing experience in the future of work. The rest of the world has already begun to work online, frequently from home, and facility with interactive technologies is already a basic required skill. And just as an aside, I was in Tibet 10 years ago. And the little villages there had faster internet connections than we have here. It was embarrassing. We have a lot of catching up to do. And robust connections to the home will help us close that gap more quickly. Finally, why is having access from home so important? Childcare and sustainability. Childcare and transportation are major concerns for many of our students. High-speed connections to the home could provide options for students that will enable them to fully engage in educational and employment opportunities. Portland will attract and retain employers because we will have an educated and employable citizenry. Supporting this project will help make all of this possible. Thank you.

Hales: Good morning.

Tawny Schlieski: Good morning. My name is Tawny Schlieski, I'm the chairman of the board of Oregon Storyboard. We're a nonprofit that was formed just this year to bring digital entertainment to cement Portland and Oregon as a hub for digital entertainment technology. In the industry that we work in, emerging technologies are creating entirely new opportunities and new really high-wage jobs in the entertainment space. Those jobs are very dependent on digital creation and digital distribution, and so the infrastructure in the pipe becomes a critical element of delivering that. Currently, companies that want to be competitive in that space will tend to put fiber to their business directly at a cost -- often of hundreds of thousands of dollars to establish that at a business level. These kind of opportunities to make that more readily available and more economically available allows us to take the really talented collection of people that we have that are coming into Oregon Storyboard and create a radical competitive advantage for them to come here and settle here as

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opposed to a place where they're going to be in debt, you know, where they can only really establish their businesses with this tremendous investment. It gives us a tremendous edge in attracting talent and creating those jobs, and because of that, we have been very supportive of this and are certainly looking forward to becoming an early client and promoting early clientship amongst our entrepreneurs.

Hales: Great. Thank you. Questions for any of these panelists? Thank you for being here. Thank you for your partnership. Questions for Mary Beth?

Fritz: I have a question for Mary Beth. Could you talk a little about the franchise development? When does that happen? At what stage?

Henry: Well, I'm actually under a non-disclosure agreement on that particular -- and I have this astute attorney right here -- [speaking simultaneously]

Fritz: I'm sorry, I didn't know that.

Henry: It's alright.

Hales: Great.

Henry: Any other questions? Because otherwise, we had two other people who wanted to say a few words.

Hales: Please, good morning.

Marcelino Alvarez: Good morning, mayor, good morning distinguished members from the city council. My name Marcelino Alvarez, I'm the chief executive officer of Uncorked Studios, we're a software design development agency here in Portland. And I'm honored to share thoughts on what fiber to the home will mean to us both as a representative of the tech community but also as a consumer. My testimony today is going to focus on the idea of accessibility. Accessibility in five key areas: people, devices, content, economic and urban development, and accessibility for the future. As our distinguished colleagues mentioned earlier, the google plan offers various levels of connectivity. And at that free plan, which provides access to citizens, we really have a tremendous opportunity to bridge the digital divide. If we look at lower income home that primarily access internet vis-a-vis their mobile plans, via their data plans, what google fiber represents is a tremendous opportunity. It means that a young child who wants to learn how to code can use the conaca [indistinguishable] to learn how to code, teach himself valuable math and science skills without using up his mother's data plan. It means that a prospective job seeker who's looking to learn a new language, whether it be English or Spanish, can improve his hire-ability by using online content for free. The paid plans also offer us a tremendous opportunity to increase our connectivity, access to content that we seek, connect more devices to the home. So that's the second point, devices. For those of you who watched the consumer electronics show this year, the big buzz word was internet of things, which describes a the near future where all our consumer electronics will be connected to the internet. Things like your blender, your oven, your washing machine, and your refrigerator. All these little devices will send messages up to the cloud and pull information down and ultimately use up some of that very precious bandwidth that we are limited to at this date. For those of you who tried to watch the True Detective finale on Sunday on HBO Go, you understand how much of a pain point that bandwidth can be. Our existing devices right now struggle to remain connected in this world. As we look at the content that we are trying to access, the near future holds a promise of 4K TVs, that's double what our high definition speeds are. Play Station 4 and xbox one, the next generation of consoles, are moving away from physical media towards digital media, all using some of that content. And as well, look at Portland's creative class, the consumers who want to create, consume, upload content, tell their stories -- all of that as well uses media. So, fiber to the home really presents a tremendous opportunity. In terms of economic and urban development, it also presents a tremendous opportunity for us. As a small business owner, I really look forward to be able to recruit more talent to Portland by saying we're a fiber city, we have more access, come here instead of San Francisco, New York, Boston -- Boston already has some, but come here. As a

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start-up, I would say the infrastructure that fiber to the home will provide us really gives us a tool to build the next generation of startup technology company here in Portland. As we look towards the future, fiber to the home presents an opportunity not to just catch up to the current data usage but really look forward beyond that. The groundwork for the next 10 to 20 years really relies on a gigabit system. Nielsen's Law, which is really similar to Moore's Law, says that we consume 50% more data every year, year on year. Fiber presents a 57 X jump on that. We are looking at the ability to jump 10 years with this connectivity. So gigabit is really just the beginning. The people that it will teach, the people that it will recruit will carry us forward and allow Portland to sustain itself has a startup hub, as technology center, and as a creative hub. Thank you.

Hales: Thank you. Good morning.

Rich Bader: Good morning, Commissioners, Mayor. My name is Rich Bader, I am a reformed entrepreneur. Until recently, I was the CEO of Easy Street Online Services. You may be familiar with what we do. I'm here in support of this program. Simply put, I do not think that there is a more important or more impactful initiative for the city or the region to take on that goes beyond the support of this program. It touches everything in our society. As you heard, it touches economic development, technology, education, health care, helping to cross the digital divide. It slices, it dices. I could launch into hyperbole, but I won't. I think the facts speak for themselves. This is a platform for innovation and for keeping our region competitive. I can't think of a better partner for the region to work with than google in this instance. They are a large, impactful corporation. We can have debates about their business model, but in terms of what it is that they would deliver with this network, we have seen that there are very few options in terms of introducing significant heft and weight into this marketplace, and that's what it is going to require to deliver this. We know it is a half a billion dollar project, roughly, just to do the Portland area. If we extend it to the metro area, we are talking about hundreds of millions of dollars. There's very few organizations that are willing to deploy that kind of capital. So to encourage google to do that here I think is a wonderful thing. I can't think of a better office or place to manage this project than the Office of Community Technology. Over the decades now, they've demonstrated, in my opinion, a right-mindedness in how to approach broadband, about how to deal with the franchise issues, how to balance the private and public sectors' interest. And I believe that with the team that Mary Beth and her office will be able to pull together, that they will be able to run at internet speed. With the support of the council, with the support of all of the bureaus, with the support of the community, I believe that we can have a very successful program and we will be able to look at this as one of the places where we bent the arc in terms of technology and economic development in Portland. And if there's any way that I can personally help or help rally the community to do so, I'm willing to put my money where my mouth is. So, thank you very much for your attention and for this resolution.

Hales: Thank you. Thank you for being here. Questions?

Fritz: I have one more question for Mary Beth, and I know you can answer this one. How do people sign up to be in a fiberhood? How would they indicate that they want to be supportive of this? Is there a way for them to indicate that at this time?

Henry: Yes, google has already set up google fiber blog Portland, and you can go in and put your zip code and they will keep you updated on progress as we move forward.

Fritz: That would be helpful for people to do that now to show that there is excitement.

Henry: Certainly. The GIS data and our processes are quite important, that's the hard data. But google is also looking at the community interest. They want to go where a community wants google. And you can show that by -- it doesn't obligate you to anything, but you can just show that by signing up that you're interested.

Fritz: Thank you.

Hales: Thank you.

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Saltzman: I do have a question but I want to take this advantage to thank Rich Bader for all of his advocacy around broadband issues for the city of Portland and this region and for being a successful, albeit reformed, entrepreneur. Now that you have time on your hands, we probably can use your advocacy and expertise as we make this a reality.

Bader: Thank you for your kind words.

Saltzman: So Mary Beth, refresh my memory -- this service will be just for residential service, initially, right?

Henry: Yes, the primarily focus at this point in time is residential. So it would be wire line competition at the residential level, which is something that we had advocated for in our broadband plan.

Saltzman: OK. Thanks.

Hales: Great. Thank you very much. Appreciate all three of you. Oh, sorry.

Novick: I wanted to ask the panel something of a leading question, which is, -- I think that to a lot of people who think their current broadband service is fine and can't really imagine anything faster, this might seem sort of abstract. I was leading a column by Joe Nocera in the New York Times a few weeks ago about the importance of google fiber. And what he was saying with consolidation in the industry of broadband providers, he's concerned that that raises worries about innovation, competition, and a free and open internet. And that if you have a limited number of broadband providers, that raises the potential that they will jack up prices, they will limit access. And he says that simply by providing competition, the introduction of google fiber is important for consumers. I wonder if you agree with that assessment and can elaborate on it?

Henry: Absolutely.

Bader: Yes, I agree with the premise. We have very strong incumbents. The regulatory environment at this point in time favors them. I do believe that there is a risk of -- already is strong consolidation both in telecom and in cable. You are probably aware of the Comcast Time Warner discussions which would increase that concentration and make us increasingly nervous about the gatekeeper role that cable companies and television companies -- telecom companies have historically played and that they would extend that to the internet. So, there's discussions about net neutrality we could get into, there's many dimensions of this. But many of these ills, as the commissioner and Nocera's article highlights, is that competition is the best way to help make things happen. And where google was introduced in Kansas City, things happened. When municipal networks have sprung up suddenly, there's more availability, better pricing, more broadband, and so forth. Competition is the juice that makes it all happen, and introducing google to the mix here in town hopefully will bring those positive benefits to the community. So, thanks for mentioning that.

Novick: Thank you.

Alvarez: I would agree with my panelists. I think having the ability to go 50 times faster than we already are, to disrupt television and cable industries, is a tremendous opportunity. And I think it will benefit everybody. Looking at current data speeds and offering that for free is a tremendous jump to really just commoditizing the internet and making it accessible to everybody. So, it's a great step forward for all of us.

Hales: Well said. Thank you. Thank you very much. Anything else, Mary Beth, you want to add?

Henry: No, thank you so much for the opportunity. It's very exciting.

Hales: We will see if we have anybody signed up to speak on this.

Moore-Love: Yes, three people.

Hales: Thank you very much. Come on up. Good morning, Lightning, you're on first.

Lightning: Good morning. My company is Think Lightning tank. I'm a watchdog think tank and my name is Lightning. First of all, google, I would like to commend you on your success. You've done very well. I understand you have \$60 billion in the bank currently, and one of the concerns I have is we're talking about fiber to the home. I hope you start looking at Portland on -- there's a lot

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of people that are not in homes. And what I'd like to see, with your assistance, is to maybe take a look in that direction, because we have a lot of people that are chronically homeless. We have a lot of people that won't be using this service. But I think with the right creative ideas and thoughts, that can change. You're coming into Portland and I welcome you. You're very successful, you know what you're doing, and you're on the heels of Apple right now and I commend you for that. But we have an issue in this city of chronic homelessness. And I say to google, if I was to ask some of the top representatives of google, could you end chronic homelessness? I know what your answer would be in Portland, Oregon. You would say yes. Because it can be done. You can build your companies the way you do, you've proven that. But we have a lot of people in this city that this will not be an opportunity for. And I'd like you to put some thought, maybe offer your assistance, and I didn't say your financial assistance, but creative ideas to end chronic homelessness in Portland, Oregon.

Hales: Thank you. Good morning.

Shedrick J. Wilkins: Good morning. I'm Shedrick Wilkins, and I actually applaud the use of fiber optics. Some day we may have video phones, which are very important in medical offices. Because if you are in a local medical office, you don't want to spread germs. You don't want people to go to a central hospital, give the germs to the doctor, and doctor and nurses give it to the other people. A lot of diagnosis can be met -- I have seen the flat screens now in medical offices with a camcorder so people can use this stuff. And fiber optics is far better than satellite communication. In 1996, I took a community college class at Mount Hood. And every time it rained, my son was one, and the picture would turn into little squares. And it was funny. This stuff is actual physical contact. There is a fiber optic cable running from Lincoln City to Japan. This is a video phone. I would rather just talk on a common telephone. Just recently, President Obama talked to Vladimir Putin on a telephone. Not a video phone, because they both know what they're talking about. I like basic internet. Internet technology developed in 1992, with the Intel processor. I don't believe in this stuff in between. You either have a video phone with fiber optics or you don't. OK. A lot of this stuff -- 100 years from now, fiber optics will be here and copper telephones will be here. All of this other stuff in between like coaxial cable will be in the junkyard.

Hales: Thank you. Charles.

Charles Johnson: Good morning, Commissioners. Again, for the record, my name is Charles Johnson. And I do have a little empathy for you all, because we elected you to do two different contradictory things. Sometimes we need you to be cheerleaders, and other times we need you to be watchdogs. I want to encourage you to take the watchdog part seriously here. It is good to say yay Portland, yay google fiber. But we're hearing about a very expensive infrastructure program and we're not hearing very many dollars and probably the concrete commitments are covered by nondisclosure. I'm simply encouraging you to look at not just making sure this is a pretty thing for city to -- for the city of Portland to remain competitive on the nationwide market, but to make sure that it is going to positively impact all of the citizens. We only -- of all of the people that came up here, I was glad one guy actually got it out of his mouth to say digital divide. And I wish there had been more information forthcoming about how this will impact people who already have difficulty staying connected with the cyber economy. And I'm sure there is information that I can get from you all at a later date. The thing to remember is that while you're cheerleading for Portland to keep us competitive, you also need to make sure that these billion dollar corporations are not just coming around saying, oh, help us do something good for you, and then two years down the road, we find out that, well, in the high income neighborhoods, they can get faster 1080 p-TV. And in the low income neighborhoods, kids are still screwed, basically, is a very likely outcome for this. That is your job for this to make sure that it doesn't turn out that way. With regards to some of the other people up here, since this is an issue of keeping Portland competitive, the remarks of Mr. Lightning are pertinent. If people have to choose between a city that has a gigabit broadband and 2000 homeless people on the street, and a city like Salt Lake that might get a gigabit broadband and have

no homeless people on the street, then we're going to lose anyway. So please keep that in mind. Thank you for your attention to this matter.

Hales: Thank you. Anyone else?

Moore-Love: That's all who signed up.

Hales: We need to make -- take action on the resolution, unless there are any further council questions. Let's take a roll call on the resolution.

Item 237 Roll.

Fritz: The resolution is to appoint a google fiber project manager, and it appoints the manager at the Office of Community Technology, and Mary Beth Henry has been an amazing leader on this for a long time. I have known her since I was in charge of the Office of Cable Communications and Franchise Management in 2009. Very proud to see that the broadband plan which my staff and I initiated with Mary Beth Henry and david olsen, the former director of that office, in partnership with Commissioner Saltzman and his staff, is being quoted and used and was the foundation for this effort. And, indeed, that -- I appreciate the showing of the map with the disparities in connectedness between people with low incomes and the other neighborhoods. So, that was in 2011. It was an early implementation strategy for our equity work and I'm very proud of that. I have absolute confidence in Mary Beth Henry for being able to negotiate this both within the city and coordinating between the different bureaus and with google to get a franchise agreement which will address that, and be sure that we do get attention to all of the things so that everybody benefits. This truly is going to be a win, win, win, for all of us. And I'm -- so thanks to Tim Crail on my staff who was instrumental in the broadband plan, Brendan Finn in Commissioner Saltzman's, and Skip Newberry in Mayor Adams' office who worked really hard to set the foundation several years ago that now we're moving forward on. Aye.

Fish: Thank you. Aye.

Saltzman: Well this is a great effort led by somebody who was very prepared and eager to take on this task to make google broadband a reality in Portland, Mary Beth Henry. Aye.

Novick: I want to thank Commissioner Saltzman and Fritz and their offices on this issue over the years, and thank Mary Beth for her work. And just to reiterate that to the consumer at home, I think that google fiber will provide defense against rate increases for broadband services by an increasingly oligopolistic provider network. And that in itself, even if we didn't have higher speeds, would be very important. I should note for the record that Google's proposal will raise issues regarding management of the right-of-way that PBOT and Mary Beth and google will have to work out, and there will probably be some hiccups along the way, but I'm sure that'll work out fine. But, again, I just want to emphasize, this is about economic development, this is about competitiveness, this is about higher speeds, but it is also about ensuring that there is competition so that the consumers don't see ever-rising prices for broadband services. Aye.

Hales: Charles, you have raised a valid point that I want to reiterate, and that is it's our job and Mary Beth's job in this role to make sure that we both meet the challenge that this opportunity presents to us, can we get the permits and all of the rest right, and look out for the public interest at the same time. And that's an important dual responsibility that we have. One of the assets in dealing with that, of course, is Mary Beth herself. I teased her about becoming czarina on the way in. But we have had in this bureau and continue to have somebody who is a national leader as well as a great resource and who is mindful of that public interest while we try to make logistical details work. So that's an important point to keep on the table and it's valid. I want to highlight that we might need, as a city, in order to meet this timeline, to be innovative in how we address our own zoning code. Because we're dealing with multiple construction projects at once all over the city, most of it on existing poles. A lot of it in right-of-way, whether it's a cabinet or otherwise. So I want to put everybody on notice there might be a need to take fairly swift action about the land use issues, and that's one of the technical conversations that needs to take place. So we might need to do something

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a little unusual in terms of how we process land use applications because we probably can't have them coming through one after the other over a long time period in order to meet this time line. But more about that later. Those are the kinds of issues that we have to grapple with, again, to look at both the opportunity and the public interest and get a lot of people working together to share information quickly. I think we're going to meet the challenge, but it's not just happy talk, there is a lot of real work underway that is going to have to show up here pretty quickly. So far so good. Aye. [gavel pounded]

Hales: OK. Let's take up 238. Mr. Scott is here, think.

Item 238.

Hales: Good morning. Welcome. We have our committee members here to make this report. Thank you.

Kayse Jama: Good morning, Mayor Hales and Commissioners. For the record, my name is Kayse Jama, I am the Executive Director of the Center for Intercultural Organizing. I want to, before -- you want to introduce yourself?

Tom Simpson: Sure, I'm Tom Simpson, I'm the director of government affairs for Standard Insurance.

Jama: We're here to give you a little more information and update for the innovation project. So before I do that, I want to first thank Commissioner Amanda Fritz for submitting my name to this committee, and I appreciate Mayor Hales for your appointment. I want to also thank the staff members Andrew, Scott, Brian, and Jeremy who provided us their time and their support as we go through this process. I would thank the Portland State University team who were extremely helpful for us to make this project work. Their expertise was tremendously helpful to us. Also I want to thank the other task force members who are not here with us today, Larry, Beverly, and Pamela and Tom who is to my left, all of us worked together on this project. So, in terms of the project, I'm going to talk a little about the process, but again, we're really honored to be able to help the city of Portland be more innovative in how we deliver our services and hopefully to set up a stage of even greater innovation for years to come.

Simpson: So let me talk through the process that we used. Between December and January, we reviewed 23 proposals that were submitted by 10 different bureaus. We met on four different occasions. Spent a lot of time reviewing proposals in between meetings. And then we interviewed each bureau to first learn more about the proposal, what it is that is in front of us. We all had questions when we were reviewing them. And then we wanted to try to understand the innovative properties of each proposal. The decisions at that point were not easy. We're confident, and you should be confident, that every proposal that was submitted received a very careful and comprehensive review by the task force.

Jama: After we did our proposals and we finalized recommendations to the city, to the mayor's office, and the task force submitted seven proposals for a total amount of \$921,000. One proposal from the Portland Police Bureau and Office of Neighborhood Involvement was detracted by the bureau after further discussions with the city. In terms of the portfolio accommodation proposals, we have this criteria -- characteristics. Benefits. Benefiting Portland to improve public services and products. Balancing the risk versus reward innovation. Piloting new ideas. Collaborating with private partners and neighborhood jurisdictions, and finding efficiency and reducing costs. The task force also looked into the equity lens as we processed and evaluated the proposals.

Simpson: So, the concluding remarks around this whole effort was that nearly every proposal -- which was good news, I think you can be proud of the bureaus in this regard -- they either reduced city costs or delivered better services. That's great, that's good news. The employees of the city are looking at what they're doing with that lens, reducing the cost, trying to make it more efficient for the taxpayer as well as delivering better services for the taxpayer. That's great. But, however, very few of the proposals were truly innovative in nature. They were interesting and they're probably

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good ideas, but they're not necessarily innovative. We were surprised as a task force that some of the proposals weren't just done by the bureaus. Some things just should have been done. They have the capacity and the resources and they should do it. So, the city should work to instill a culture of innovation within the organization so that in the future, truly innovative ideas can be brought forward. So, I think that's work for the city in the future. As was mentioned, very few of the proposals address the city's equity goal. I think we need to encourage the bureaus to figure out how innovative proposals can do this and find approaches to problem-solving that could impact equity in the city. Another way to look at this is that many of the proposals, or most of the proposals were about bureau problem solving, solving problems that bureaus face. Great. And many of them touched equity, or some of them touched equity. You flip that on its head, and there weren't any proposals that addressed equity first and then also saw the bureau problems. How that's done and by whom, I don't know. I'm just saying it is a different lens to look at it with. That was one of the challenges that we had. Again, thank you for the opportunity. It was actually quite fun. And to provide these recommendations.

Hales: Before we get to questions, I want to thank you and other members of the task force that brought a lot of experience and clear-eyed perspective about how innovative is this and are they still meritorious. And not just evaluating these proposals, but where should we go next if we're going to continue -- and I do hope that we do -- to both have a formal process of encouraging innovation and funding those projects. I think this small task force in a short time did us a real service of going through these proposals in a thoughtful way. I wanted to say thank you to you and your colleagues for being willing to take that on. Other questions or comments?

Fritz: Thank you for your service and for that eloquent discussion of equity first rather than equity as a tag on afterwards. I appreciate that. And I'm looking at this expenditure of nearly \$1 million. I'm thinking, do we actually want to these? Do these advance our other -- our quarter goals for the city in a budget year coming up where we're not going to have very much money at all? So I'm looking at each one of the projects. In particular, the one on the transportation management partnership in south waterfront. That wasn't a committee recommendation, is that correct?

Simpson: Correct.

Fritz: Why was that not forwarded by the committee?

Simpson: When we ranked all of the proposals, we used a set of criteria -- and I have to dig it out -- about which proposals ranked higher than others. This one really didn't hit the lens of, again, innovation and equity as well. There was a whole variety, Portland State provided us with a fairly large list that we all went down, and this one just didn't rise to that level. So, it dropped off fairly early in our process.

Fritz: And the other one -- did you have more?

Jama: No, I didn't have anything to add. I think the important thing was that we really used it as some of the criteria that Portland State University provided us, and at the end, we had 25 plus proposals that we received, and we had to end up cutting some proposals. And it was a fairly lively discussion on those processes and we end up having to view the amount of purposes to move forward. And I think that is generally what it was more than anything else.

Hales: The only comment I would add, we could add this in after the task force work, is that we didn't really have a criteria for being citizen-driven, but this one was. And so that, to me, counts for something. But it's a fair point.

Fritz: I wasn't aware we asked citizens for their --

Hales: We didn't. But this was one where we had a neighborhood organization working with a bureau, and, you know, I liked that.

Fritz: The other question I have is about the fire and rescue cardiac arrest alert thingy. Why is that on the list?

Simpson: Pulse point. Pulse point is a --

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Fritz: For those watching at home, thingy means an alert that if you signed up for this pulse port thing and there's a cardiac arrest that goes into the 9-1-1 center, you would get a ping on the phone telling you where the nearest defibrillator is and you would theoretically run and get it and go to aid the person before the fire bureau could show up, is that correct? Why is this a priority item for us to spend \$100,000 on?

Simpson: A couple of reasons. One of the reasons we looked at it primarily was it would be in partnership with Tualatin Valley Fire and Rescue. They have already rolled it out. And most citizens don't know where the boundary is between where they are and where the next jurisdiction is. Tualatin Valley Fire and Rescue is obviously a big jurisdiction. By expanding this to Portland Fire and Rescue as well as -- I believe it was going to go to Gresham as well, that encompasses a huge portion of the metropolitan area, and it seemed as though, based on the numbers we were seeing out of Tualatin Valley Fire, this would expand the capacity and frankly, from an innovative standpoint it actually does trigger some innovation. It is looking differently at how do you encourage citizens to take part in saving lives if they have the training to do that. It was a combination of partnership, as well as a bit of innovation, and what else am I missing?

Jama: And Commissioner Fritz, I think this proposal was one of the proposals that we had a lively discussion and debate about whether we move forward. There were several areas of concern at the beginning that emerged. Number one was the effectiveness of this proposal. And the second piece was that there is an ongoing cost associated with this proposal. Those were some of the discussions that we had. But then we looked at the totality of the project, and I think for me, as someone who comes from working on the issues of social justice and perspectives of creating equity process, one of the importance that we realized that we have to balance between building human capital and building infrastructure capital. I think those were some of the discussion that we had. And because this proposal is particularly engaging health-related issues and building infrastructure for human capital for the city of Portland and city of Portland residents, that was the thing that we really, at the end, at least for me personally, appeared to me. And I think that was pretty much the discussions that we had.

Fritz: Thank you, that's helpful. There's an ongoing cost to this?

Hales: That one, I think there is.

Simpson: I believe there is. I will have to rely on the budget shot for that one.

Fritz: So, Mayor, I'm somewhat hampered in reviewing these because we only got the summaries, we don't have a lot of detail about the projects.

Ryan Kinsella, City Budget Office: Commissioner Fritz, I'm Ryan Kinsella of the City of Portland Budget Office. Ongoing cost for the pulse point is the annual license fee, and it's about \$10,000. When we met with Chief Janssens, she said she thought that was something they thought they could absorb in the budget.

Fritz: And what's the 108 for then?

Kinsella: That's the interface between the CAD system and pulse point, and then just sort of the basic programming. There's also CPR classes and marketing associated with it as well.

Fritz: And where -- what are the statistics for Tualatin Valley as to how many people are using it? How many cardiac arrests do we have in Portland?

Kinsella: I can't say specifically, but when we did speak with Chief Janssens, she said there's been about three or four really successful interventions to it. I think it's been a fairly small rollout for them, but for the three or four people, it's obviously been a pretty meaningful intervention for them.

Fritz: Do we have any understanding of how many defibrillators around the city or where they are?

Kinsella: I can't speak to that. I'd probably feel more comfortable having either the chief or Andrew Carlstrom, who's the person on the project lead for it, answer those questions, I think.

Fritz: I'd like to know.

Kinsella: OK. I can follow up with you on that.

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Fish: Can I follow up on something? Your testimony -- you said you were surprised that a number of these things weren't already being done by the bureau. And you said you didn't find a lot of innovation. So, in our RFP processes, in other bureaus, if evaluators think a request is nonresponsive or doesn't warrant funding, they can come back and say no. Was one of your options to say that there weren't actually applications that met the criteria and therefore you recommend no funding at this point?

Simpson: That would be why you only see the ones you see. When we first took a look at it, we went through and said, gee, many of these are not -- most are these are not what we would call innovative. We spent some time going through what does it mean to be innovative. And it's a difficult definition. And Portland State did help us out in that regard. I was looking for my notes and couldn't find them, I'm sorry, but we did peel off quite a number of them right off the bat by saying these just don't quite meet the mark. Now one of the challenges we had was that the information that went out in the fall to the bureaus as to their original instructions, and the lens of strict innovation, were different criteria. And so what they were originally asked to do and what we were looking at were a bit different. We didn't want to hold them accountable for perhaps a rough startup to a new program. What we wanted to do was say we will give them a little bit of the benefit of the doubt, and yet, when I said some of them should just be done anyway, there's just some basic cost reduction proposals in this that I think a lot of organizations will just do and they're asking for it to be done through this program. Did I miss anything?

Jama: Commissioner Fish, I think we had this discussion quite -- the mayor's office and the folks give us leeway to say absolutely that if we felt that none of the projects were that innovative, we could have totally said no, we're not going to put forward none of them. Having said that, I think the way -- at least personally I foresee this and analyze this -- and one is that it is a normal thing when you have this kind of a process that when you start something, a project like this, that you probably need to do some house cleaning. So, a lot of the proposals that we have seen folks were just the projects that they were supposed to be doing, as we said, or they just didn't have the time or energy to do. We recognize that. But what we ultimately decided to do is that let -- we move the proposals that we think that closest met the criteria that we were putting forward, and then hopefully have some sort of a discussion ultimately proposed to the mayor's office and staff to discuss about how do we, as the city of Portland, how do we define innovation? And really have that discussion. And maybe hopefully this is kind of a building infrastructure for the future proposals from the bureaus, and really give them a clear guideline of what we mean when we say innovation. I think in order to be a city that needs to be innovative, our bureaus have to be very innovative.

Fish: I appreciate that qualification. But still, I guess I'm puzzled about one other thing here then. Because it's \$900,000 worth of ask, so, did you feel it was your charge to come up with close to \$1 million of programs that fit, or had you decided or could you have concluded that they didn't come close enough to innovation so you're only recommending \$200,000 worth of ask.

Simpson: Certainly. We kind of laughed because when we first went through the filter to see which ones ranked to our criteria or not, it came close to \$1 million. We didn't start with let's go hit \$1 million. Not at all. We wanted to say, what is the list? And we started to go down the list. It was like, oh, look at that, the top ones are close. We went through -- we talked about it at quite some length to see are these really the right projects, and then we juggled them again. Do you want to add something?

Jama: No, I think that is how we started. We came to the point -- we weren't starting the discussion that we want to spend a million dollars. I think the question we started with was, are these projects innovative? That's the discussion that we had. And I said earlier, although we faulted most of them -- thought most of them fell short in terms of the innovation side of it, I think at least we wanted to entertain idea that this project, some of them maybe need to move forward just so that we can encourage innovation in the future. So, knowing that that's how we did end up. Ultimately, we end

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up close to the million dollars that we had. But I don't think that we were ever wanting to spend a million dollars, the idea was, what projects would be closest to innovation.

Hales: Yeah I mean, one way to describe this package from my discussions with you and seeing this, maybe on a scale of same old, same old in innovation, there's a place in between which might be called government working smarter. And that these proposals, or the finalists here, at least achieved that level. And that's progress. It's maybe it is not the ideal that we want in the program, assuming that the council wants to continue it, but things like this utility coordination, most people would be wanting us to do that coordination between our utilities and private utilities -- might come in handy for google fiber. But that might not be all of that innovative because there have been coordination schemes put together in other governments and even here. But it's certainly is government working smarter.

Novick: Also, I mean, isn't it true that there's hardly any real innovation in the world? Didn't Bill Gates and Steve Jobs steal most of their ideas from Xerox? [laughter]

Jama: I guess my conclusion, Commissioners and Mayor, is that I hope that each one of you will go to your bureaus and hopefully maybe have some discussions about the proposals they submitted and have discussions about how do we streamline innovation and effectiveness in our city? I really do believe that is what we need to do if we want to be a successful city.

Fritz: Thank you both. This has been a very helpful discussion, and I'm prepared to vote for your recommendations just because obviously you've gone through all of the questions that Commissioner Fish and I just asked. Very much appreciate that. I am, however, concerned about the transportation management grant that's not -- that's something that we've done in other neighborhoods. I'm very troubled that possibly the most affluent neighborhood in the city, because they were connective, got to put their request in and others didn't. It just doesn't seem --

Hales: I think that was the unique nature of the project. Not just because they're one of 95 neighborhoods, but we can bring staff up and describe it better, if you want.

Fritz: Yeah. Thanks.

Hales: Any other questions for Kayse or Tom? Thank you both. Thanks very much. Do we need Andrew and Ryan to come up and talk about that one in particular? We added it in my office at the last minute. If we don't want to do it, that's OK.

Andrew Scott, City Budget Office: Andrew Scott, City Budget Office. We also have Christine Leon and Ryan Kinsella. We may be able to answer some questions, although we may need to defer if you have detailed questions about the transportation management proposal. My understanding, though, is that it will begin work on creating variable priced on street parking system within south waterfront, and it's a partnership that will allow the development of that program and the data collection effort that could sort of lead to efficiencies, innovation, in similar parking systems throughout the city if appropriate. Commissioner, I don't know if you have additional detail, or staff does.

Christine Leon, Bureau of Transportation: I would also like to add we did submit a proposal for it, and during the interviews, we did go through a number of questions on it. So, we felt it was worthwhile to submit. Why it wasn't selected, I don't know.

Novick: I do think that exploring whether we should adopt the innovative, dynamic pricing systems that San Francisco has is something that we should be looking at. And the mayor said, it was something that his office added, but it struck me as going in the direction that I would like to go in.

Fritz: Why south waterfront rather than Sullivan's Gulch, rather than other neighborhoods?

Hales: Because they're not going to be pricing their parking. South waterfront is a neighborhood where we are pricing parking, right?

Scott: I mean, again, I feel like I'm out of my league here in terms of transportation policy. My understanding is with the opening of one of the new buildings down there as well. It's going to be

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very high demand parking area of the city, and so that's why this is applicable in that area versus maybe some of the others.

Leon: The number of constraints we have down there as far as transportation, access, parking, multimodal, and amount of development, it was ripe for a very focused study down there. Not to say that other areas aren't, but, again, in trying to meet some of the criteria that we had available, and the energy around this is why we submitted it.

Fritz: But, again, it's \$35,000, which out of \$1 million doesn't seem like that much, but \$35,000 gets a start on a blinking crosswalk in east Portland, right?

Novick: That's true. But, I mean, it's possible that if we expand dynamic pricing, it will give us a tool to raise more money for the entire system, which will buy additional blinking lights.

Fritz: That's generally not how transportation management associations have been set up. They've given benefits to the area that sets them up, so provide transit passes for employees, for example, or other such things. There hasn't been much general revenue going to the general transportation projects.

Hales: Let me make a suggestion. We're having a good, substantive debate that we ought to have before we approve this. My suggestion is that we pull this one out and act on the rest, and we can return to it. The fund is still there, it's still on the table. And, you know, it's been reviewed by the panel, but not fully reviewed by us. So, I guess my recommendation would be because this was added at the last minute in my office rather than one that was vetted by -- that was reviewed but not put forward by the task force, let's pull this out. We can get these questions answered and return to it in a subsequent resolution on that item --

Fish: Mayor Hales, I'm going to support that idea in part because I was prepared to vote on the package as a whole because it's a recommendation. And I think we can go through each one and have a debate, but since that was not part of the original package from the committee, I think that's a cleaner way of doing it, and I would urge that as a friendly amendment and we could go up or down on the balance of the package.

Hales: I will take that as a motion. Is there a second?

Fritz: Second.

Hales: OK, so let's roll call on taking that one out and keeping the rest of the package on the table.

Roll on motion to remove PBOT Transportation Management Associations Partnership for \$35,000.

Fritz: Aye. **Fish:** Aye. **Saltzman:** Aye. **Novick:** Aye. **Hales:** Aye.

Hales: Thank you. And we'll bring that back to council offices for more discussion. Do we have anyone signed up on this resolution?

Moore-Love: One person, Mr. Lightning.

Hales: OK. Thanks everybody.

Lightning: Good morning. My name is Lightning. I'd like to talk a little bit on this innovation fund. I think what we need really in this city -- we talk about people with mental illness and talk about trying to help the chronic homeless, but we don't really offer any type of outreach service from City Hall itself, and what I would like to see -- I understand there is some additional funds that may be directed into a certain type of a project. What I would like to see is basically I would like to see you have a space down below -- I know the Oregonian used be there and it's been sitting vacant. What I would like to see is maybe actually have somebody either come in there every once in a while, once a week, possibly a cognitive behavioral therapist or a psychologist, and somebody similar to -- and I say this in a respectful manner, maybe even like a Dr. Phil. Somebody that people can go in there, talk, somebody that can go out and talk to people out on the streets, somebody that can actually begin to create an understanding and a respect, and go over certain issues. Because we're talking about google. We're talking about the internet and various other things. I mean, we have come such a long way on offering these type of services to people to be able to view it on the internet, to be

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able to look at videos put together, to be able to understand, if they have thoughts of suicide, alcoholism, drug addictions, homelessness, being depressed, what are they thinking? We need to have a trained professional that represents a lot of the community that can actually begin to let people understand that, hey, why don't we have a discussion and let's talk about this. Because we have no outreach. There is absolutely no outreach to where somebody walks out and says, hey, I'd like to talk to you today and I know you're homeless, you may have drug addictions, I would like to talk to you about that. And just have a reasonable discussion and maybe there is something that we can do. I think from an innovation standpoint, if something were lacking in this city, it's something that's necessary and it's something that even the DOJ, I would think, would agree that is necessary. And basically from an innovation fund standpoint, I would love to see something like that funded into where people can just come in and have a reasonable discussion and say, hey, what do you think about this? And somebody very well trained to be able to counter back and say, you know, this is what I think and maybe this will work out for you in a better way. Thank you.

Hales: Thanks. All right --

Fish: Mayor, because of the comment of the prior testifier and because we have the benefit of having the housing director here, I think it might be helpful -- because Lightning always comes up with interesting ideas -- that we ask the distinguished director just to give us a follow-up email identifying programs the city and county fund that do outreach. Because there is substantial funding for outreach programs, but to the extent there could be better coordination or something that fits within the innovation pot, I think that information, we could then go the next level. If you could supply us with that first, Director Manning, and we could engage Lightning about future options, that'd be great.

Hales: Good suggestion. OK, so let's take a roll call on the amended resolution.

Roll on 238 as amended.

Fritz: Indeed there is a housing bureau data sharing system funded in this, so that hopefully will be helpful in that regard. Thanks very much to the committee. This just shows that an appointed group of folks from the community -- I actually was reminded of our budget advisory committee and the input we get when citizens dig in and ask those questions like, why isn't the bureau already doing this? That can be very helpful. So I will take that charge to heart and go back and look at Parks and Development Services asks that were not funded and see whether we can accommodate them within the existing budget, and I very much appreciate the time spent. Aye.

Fish: Mayor Hales, this was one of your ideas in a tough budget cycle last year. And we carved out this money when we had to make tough choices. And I've been very supportive of the concept. This is an interesting discussion in terms of what is innovation. If I hear my colleague Commissioner Novick correctly, the public is hungry for innovation, but it's an illusory concept, so it's no wonder that people are so frustrated with government. But I think it was a laudable goal. As you said, we will discuss through the normal budget process whether this year, with the constraints we have, if we will continue to invest and at what level. But I think for purposes of our action today, the committee has made a case for these programs. And whether in hindsight there are things that should have been developed out of the existing budget of the bureaus or processes, that's a good conversation to have, too. What is innovation and how much of it should be generated in the ordinary course. I actually do believe there are a number of items on this list which are purely innovative. And by innovative, I mean taking ideas that have been piloted somewhere else, that have been demonstrated to save taxpayer resources and deliver services more efficiently, and proposing that we embrace them. Innovation doesn't normally happen as someone coming down from on high with some new idea. It's how we take best practices and interesting concepts and apply them. And I particularly like the proposal that Commissioner Novick and Director Treat are bringing forward for utility coordination. How many times do we hear from people that they can't understand why public and private agencies dig up roads to do laudable things, but lack the kind of coordination that would

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save both money. It doesn't happen pervasively, but it happens enough that it seems like it's something that we should address. I do think that that is a purely innovative idea, and I think it's something that, if not for a new director with roots in another city where it's been tried, we may not be proposing it. So I am very pleased to support that. I appreciate the discussion with the committee about how they got here. If we choose to continue it, we have a road map for some fine-tuning. If we don't, we have a one-year experiment which hopefully will bear some fruit. Either way, Mayor, this was really your idea and I applaud you for it. And I'm pleased to vote aye.

Saltzman: Aye.

Novick: I wanted to elaborate and add on to Commissioner Fish's remarks. I am frankly jumping up and down, turning cartwheels excited about the capital construction coordination grant. Because, as Commissioner Fish said, there are a few things more frustrating to citizens than seeing the same street torn up by different entities in a short period of time. And Director Treat came to us and said, listen, in Chicago, we developed this process where the public and private utilities fed their project plans into the same system, and they had software which alerted to the potential conflicts and opportunities for coordination, and she said that the city saved millions of dollars. And I have no doubt that the private utilities did as well. Commissioner Fish and I actually already convened a meeting with a number of our private utilities, PGE, PacifiCorps, NW Natural, some of the telecoms, Comcast, Century Link, and Director Treat gave them an explanation and demonstration about how such a system might work. And, of course, they're cautious about it but they seemed very intrigued. And we followed up -- actually, Christine Leon followed up -- by sending them the names and contact information of their counterparts in other cities they could talk to about how this worked. What the grant would fund specifically is an analysis of the tracking systems, and the existing tracking systems of the public and private utilities, and determine what the requirements will be before a coordination system and bridging software. So it's a first step but it's a critical first step, and I think this is just enormously important. I mean, we, within the city, do our best to coordinate projects. But sometimes even within the city, things fall through the cracks. But it's critically important also -- I mean, this will improve that, but it's also critically important to have the involvement of the private utilities. So I am very excited about this. By the way, my remark previously about innovation and Bill Gates and Steve Jobs and Xerox -- I just want to read the story I was referring to, which was apparently when Steve Jobs first heard about Windows, he thought it was a rip off from something he created. He called Bill Gates to a meeting -- and apparently he had the power to summon Bill Gates -- and Steve Jobs said, you're ripping us off, I trusted you and you're stealing from us. And Gates said, well Steve, I think there's more than one way of looking at it. I think it's more like we both have this rich neighbor named Xerox, and I broke in to steal the TV set and found out that you had already stolen it. So, in this case, we have compatriot cities around the country like Chicago that have come up with this great idea, and I'm proud that we are poised to steal it. Aye.

Hales: Well, I think this is an imperfect success, and it's really hard for government to innovate. I spent the last 10 years in a private corporation where, if you had a good idea and could put the numbers to it, you might get it funded but then you were taking personal risk about whether or not that would succeed. In the public sector, we don't have all of those signals, and maybe we shouldn't, but we do need to be able to tell our managers that we want you to try something new, we'll occasionally fund the best of those ideas and then we'll track how it works. I think this particular set of tools is worth keeping and worth continuing to use. You're right, there's not always enough resources for these kinds of things. I think it's one of these things where if we can continue at some level to send that signal that innovation is supported and here is what it looks like, maybe a little better definition of what it looks like, here's some more examples, I think we have some in this package that really rise closer to that ideal of true innovation and that will gain some momentum in this over time. So I think it's a worthy experiment, and I appreciate the task force and our staff who

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worked to make this process work the first time around. I hope more to come. Thank you. Aye.
[gavel pounded].

Item 239.

Hales: Commissioner Saltzman.

Saltzman: I think Karla said it very well in the title of this ordinance. This is a grant application to FEMA for those activities that she enunciated in the title. And I would urge our support for this grant application.

Hales: OK. Anyone here to testify on this item?

Moore-Love: I didn't have a sign-up sheet.

Hales: Yeah, it's a grant application. Alright, emergency ordinance. Let's take a roll call.

Item 239 Roll.

Fritz: Aye. **Saltzman:** Aye. **Novick:** Aye. **Hales:** Aye.

[gavel pounded].

Hales: Appreciate that funding if we get it.

Item 240.

Saltzman: Thank you, Mr. Mayor. We're here to ask for approval for phase two for Glisan Commons. Glisan Commons is a development of REACH Community Development Corporation in partnership with Human Solutions and Ride Connection, which in total will feature 127 units of affordable housing at NE Glisan and 100th Avenue. And it will also have the offices of Ride Connection, which as I recall, brings in about 40 new jobs into the Gateway area. These projects will not only provide jobs, but much needed affordable housing, transit options, and social services to lower income seniors and hard-working households in east Portland. Here to talk more about Glisan Commons is our housing bureau director Traci Manning, and REACH CDC's relatively new chief executive officer Dan Valliere.

Traci Manning, Director, Portland Housing Bureau: Thank you, Commissioner, Council. We will keep it brief. But I do really appreciate these occasions to highlight what I think we do really well, which is work with incredible community partners. I know you all know REACH and Human Solutions and Ride Connection. It really highlights some of the best of what we do. They were selected in a competitive process to redevelop the site, and this is the final phase of the project. What I appreciate about working with community-based organizations is that they help us do a better job of listening to the community. So, this project is what it is -- which is housing for seniors -- because they listened to their new neighbors in east Portland. And what they heard from them was certainly transit-oriented development is important, certainly quality affordable housing is important, but you know, our school districts out here are a little strained. And so, perhaps, new family housing is not as important to us as keeping seniors in the neighborhoods where they have support, making that housing appropriate for them in terms of the transit access, in terms of the amenities that are being brought to the project, in terms of the accessibility of the units. 16 units are initially designed to be wheelchair accessible and all of units designed to be convertible. That's a very high percentage, even in our affordable housing, and REACH was really responsive to that request from the neighborhood, which I know won't surprise any of you. REACH -- I think the one thing I could say that best speaks is they have a national reputation. Not just a good reputation around these parts, but a national reputation for the kind of housing they're able to bring and the responsiveness. The commissioner mentioned but I would also highlight because it is something that I know the neighborhood is particularly excited about, the jobs coming to the Gateway area from the Ride Connection. Ride Connection a relatively new partner for the Housing Bureau but a very important partner in this project, and one that the neighborhood is quite excited about. The other thing I would highlight before passing it to Dan is about jobs as well. This was a project of R&H Colas construction, and in phase one of the project -- which also they were able to achieve a 32% participation in MWESB, minority, women, and emerging small businesses -- and they expect

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to at least hit that in part two, which we are all very proud of. REACH has done some really great work with them in that area. And then finally, thanks to -- I would be remiss without thanking the staff that makes this happen. So, on my team, Javier Mena, our still relatively new assistant director Siobain Beddow, Nate McCoy, Kathy Romero; and thank you to the City Attorney's Office, Linda Law; and thank you so much to our new friend, Dan Valliere; and his team at REACH, Michelle Haynes and Rhea [spelling?].

Dan Valliere: Thank you, I will be brief, too. Thank you to the Housing Bureau for the partnership on this. It's been a long road. And thank you to Commissioner Saltzman for getting it to the finish line here. Thank you to Commissioner Fish, too, because this one bridges a long period of time. In fact, as I understand it, with Human Solutions, this project really started almost 10 years ago. It kind of shows how projects like this sometimes can take a long time to come together. Have to factor in a lot of things, including the community. It does take a lot of risk, too, to get through a process that long, because you have to put a lot of resources out ahead of time sometimes. So we're just grateful to get to this point. It's a big achievement. A lot of people had to pull to make it happen. Excited that it aligns well with the city's goals, too. When I just started last year, I saw the action plan for age-friendly Portland, which the council adopted or supported. I think that's a really interesting development that's aligned with the World Health Organization's age-friendly cities initiative. Important for Portland to be part of that. So, this fits well with that. And we're going to look -- we're looking carefully at that in general at REACH, about how can we align better with those plans starting with these buildings where older adults live and then go from there in terms of how do we tie people to transportation and activities and breaking down isolation. So, again, this is exciting because it's teed up to do that, it's right by the Gateway center to begin with. Ride Connections being there is a huge deal because for those who don't know a lot about them, they have a whole suite of supports and services to help people access transit from actually special transit relationships, but also even just counseling and helping people understand how to do it. The fact that they're right there is a great thing and really unique. I won't go to many more details unless there's questions, because we could go on and on. But I just want to say thank you for the opportunity to do the project and we will do it well.

Hales: Thank you both. Questions?

Fritz: Did REACH choose R&H Colas or did it go out to bid from the city? How did that piece work?

Valliere: It was a process that -- and Human Solutions also used them on their phase. So it was part of the development teams, Human Solutions, and REACH made those decisions.

Fritz: So it doesn't come back through the council.

Valliere: Right.

Fritz: What's the equity credit and how does it work? Part of the financing is a tax credit equity of \$8.6 million, what is that?

Valliere: The tax credit equity -- is that what we're talking about?

Manning: Yeah, the nine percents.

Valliere: So that's -- and I'm still learning about that myself -- so it's low income housing tax credit. So it's a federal tax credit. It's actually the single largest source of funding for affordable housing in the United States through the IRS. So, yes. Largest source of funding for new affordable housing is through the IRS, it's not though HUD. HUD is still huge for subsidies, Section 8. So it's not that HUD doesn't do a lot, but it's an interesting side note. So, the way it has been around since the late 80s. And that drives a lot of the projects that the Housing Bureau is involved with in terms of new construction. So, these credits are awarded to projects through the state of Oregon. So this project was awarded credits. Then those credits are sold to investors or investors -- a bank or whatnot -- that needs the credits and can offset their own tax liability. They then provide equity to the project in exchange for those credits. So that's the way it works.

Manning: Bank of America is --

Valliere: In this case, it's Bank of America that was selected to do that. And there's a whole RFP and bid process for that selection, too, based on who is going to give the most equity and a few other considerations. But largely it's who will give the most equity for the credits.

Fish: Commissioner Fritz, can I make a comment? You will recall during the planning for Gray's Landing, during the teeth of the recession, the tax credit market collapsed. So the value of the tax credit came down so substantially that it created a hole in the financing. So one of the positive things we're celebrating here today is that the tax credit market is now back and robust. And that is one of our most important tools. It was a tool we couldn't use very effectively during the great recession.

Hales: That's why having our senator on the -- in his new and lofty role in setting federal tax policy will be an important relationship. Because if we lose this, and not to mention if we lose the deductibility of municipal bonds, then all kinds of problems could rain down on us.

Valliere: That's a great point. We just sent a letter to Senator Wyden on that topic. That's an important one.

Hales: Yeah, really.

Fritz: So I have another question, and that's about the ground lease. So we own the property, is that correct?

Manning: We do right now, yes.

Fritz: But then there's a ground lease that expires in 2111.

Manning: So, I may have to call on staff on this. We are in a somewhat complicated partitioning phase so that the land can eventually -- because we have two separate owners, it's got to be partitioned and then we will transfer that to the owners. I think the intent is to do that well before 2021. But that's what the phase of the lease is.

Hales: Short term ground lease, even though it has a long term --

Manning: Yes. But the intent is --

Fritz: [speaking simultaneously] for 100 years?

Manning: I don't know the answer to that. I can get back to you.

Fritz: Just intrigued, it's not a principled --

Manning: I attended one or two meetings and it was incredibly detailed.

Fish: It has a long and tortured history.

Manning: It does, and you actually probably know a piece of it because I know BDS had to be there too, and it was very complicated, but I am more than happy to get you more information.

Fritz: But the intent is, in a while, that Human Solutions and REACH will become owners of the whole property.

Manning: Yes.

Fritz: OK, that's all I really needed to know. Thank you.

Manning: As soon as possible.

Hales: Other questions? Thank you both. Appreciate it. Anyone else signed up?

Moore-Love: Lightning requested to speak.

Lightning: My company is Think Lightning Tank, and my name is Lightning. Interesting point you brought up on that ground lease, because actually, it extends out, if I'm correct, for close to 97 years, and they even put in the agreement that they paid that in advance. Now, I really don't know where it says in the agreement that they're planning on buying the land and at what cost. Again, that lease is for \$1 per year. As you know, I always have a problem with this \$1 for land sales. \$1 for lease tying up properties. No appraisals in hand. This is where I have a concern here is that I don't want to see \$1 leases or \$1 land sales.

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Fish: Lightning, it could be for zero because it's the contribution of the city to the project, but there has to be consideration. Once upon a time it could be an acorn. Today, it's a dollar. But it has to be some consideration, because part of the value that we're giving this nonprofit is the dirt.

Lightning: I know from the legal standpoint you have to put \$1, I do understand that. But my point is that, I think we're giving away too much again. There's where my position is all the time on these issues. What I would like to see is that -- pertaining again to the chronic homeless -- is that on these types of agreements, instead of just doing the \$1, why don't we do \$10,000 per year? It's not a tremendous amount of money. We're dealing with nonprofits and companies here that have a tremendous amount of income. They have a lot of properties out there that they're producing a tremendous amount of rent. I've looked at their financials. I've gone over their numbers. I've gone over their 38 pages of their financials, and my point being is that we need to start making sure that there is a safety net for the chronic homeless that I don't think is going to get into these buildings. And by putting that \$10,000 in, you could provide housing for one person for their lifetime instead of being so tied to \$1, why not look at the chronic homeless and say, we want \$10,000. That's a great deal there, too. But that's also going to provide housing for one person. We're going to get them off the street. We're going to save probably \$30,000 a year, and we want to make sure that there's a safety net put in place to do that. I don't believe that these units are going to put the chronic homeless in there. I don't believe there they're going to be in there. That's why I'm saying we need more outreach. We need to stay in contact. We need to implement agreements that provide for their housing. We do a tremendous amount of transactions that we can put that in the agreement. There's nobody that is going to have a big concern if you say, well, what about \$10,000? And what about one chronic homeless person being put into housing for the rest of their life. They're going to say absolutely. We can do it. They have development fees of a million plus dollars. They have development fees of \$500,000 plus on these type of projects. \$10,000 isn't too out of line. Thank you.

Hales: Thanks. This is an emergency ordinance, let's take a roll call.

Item 240 roll.

Fritz: Thank you for the explanations and thank you for the partnership. Aye.

Fish: Well, this is a proud day. And I can't resist a couple of comments. First, Dan and REACH. REACH was selected through a competitive process to take over what's now called Gray's Landing, which I believe last year won the top award nationally for affordable housing development of its kind. In fact, Ed McNamara, who works for Mayor Hales, was once, I believe, the executive director of REACH. So it has a great history and we're proud partners. Second, one of the things I love about this particular development is it meets the number one investment priority of the Portland Housing Bureau, which is providing more rental housing to our most vulnerable families and individuals. And that I believe is, has been, and should continue to be the core mission of this bureau. Third, the principal funding source is the 30% set-aside. And there have been occasions, even in my five years, where people wanted us to either scale that back or revise the income guidelines. And I think each time it has been suggested and we've said no, it's because we want projects like this to be successful. Four, to answer Lightning's concerns, of the 60 units here, 55 or for right-handers below 60% of MFI, and four units are for people below 30%. And below 30%, to your point Lightning, could well be someone who has been chronically homeless. This, as was pointed out, has taken 10 years. And that's because these projects are mind numbingly complicated. On this because of the land use issues, the partition, the funding, the recession, the politics, it's taken a long time. But the primary reason we're here today is that the smartest people in the business who help navigate these projects from beginning to end work for the Portland Housing Bureau. And so I want to thank the team at the Portland Housing Bureau for delivering once again on a tremendous community win. As to Commissioner Fritz' point about R&H Colas, just to put that in context -- as you know from the disparity study -- we have a history in our community of minority-owned firms not getting prime

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contracting jobs. They get pieces of the pie and the scraps. They don't get the prime contracting jobs. And one of our commitments is to make sure they get more contracting jobs. That's Stephens Creek Crossing, which is about to be brought to conclusion, that's Glisan Commons, and with Mayor Hales' leadership, someday may be Trader Joe's. And the more prime contracts they get, the bigger their business and they in turn have a record of hiring minority subs. It is a win-win-win for our community. To the Housing Bureau, to REACH, to our partners, to our financiers, to everyone who put this together, job well done. Thank you for your service. And Commissioner Saltzman, thank you for bringing this home. Aye.

Saltzman: Thank you to everybody. Aye.

Novick: Thank you, Commissioner Saltzman, thanks to REACH, thanks to the bureau, and thanks Commissioner Fish for his eloquent exposition of the history behind this, which I really appreciated. Aye.

Hales: REACH and the city go back a long way. Ed McNamara, under a different name, was actually the REACH executive director a long time ago. I was a board member at that time. So this organization has been doing good for a long time. The deals were complicated then, as has been well stated here, they've gotten even more complicated but this is a good one. Well done. Aye.
[gavel pounded]

Hales: We have two more items, one on the calendar, and one that we pulled.

Item 241.

Hales: Good afternoon, Andrew.

Novick: Colleagues, the purpose of this ordinance is to impose a final assessment of affected properties on the NE 97th Avenue Green Street Local Improvement District. Street improvements are an integral catalyst in development in Gateway. Knowing this, Council adopted the Gateway master street plan in 2009. This LID brings you the first local street improvement in Gateway since the formation of the Gateway Urban Renewal Area, and the first new local street connection constructed under the auspices of the Gateway master plan to improve circulation on "superblocks" in Gateway. Superblocks differ from standard street blocks because property owners are responsible for the expense of more sidewalks and street surface areas in the LID projects due to historically larger rural lot sizes. And I'm glad to have Andrew here to provide council with a few before and after pictures, and to take questions.

Andrew Aebi, Bureau of Transportation: Thank you, Commissioner Novick. I'm Andrew Aebi, a local improvement district administrator. It's kind of ironic this is agenda item is right after the last one. So, I'm going to provide you with a second mind numbingly complex project in a row on Gateway.

Fish: Are there any objections to this? Or remonstrances?

Aebi: No objections. I thought, Commissioner Fish, you were going to accuse me of plagiarism for borrowing your phrase you just used a few moments ago. No, we did not receive any objections by last Wednesday's filing deadline. I was contacted yesterday by property owner Paul Wiederhold, he was traveling out of the country, and he will be speaking here in a moment. So when we formed this LID, the planned scope of the project was only to build NE 97th Avenue. When we formed the LID, we received no remonstrances against LID formation. As we were going through the design of the project, there were two opportunities that arose. The first was to construct the first east-west street connection in Gateway. And the second was, as we started going through the project and I became more familiar with the zoning in the area, it became very clear to me that we had future development coming in the door that had to build right up to the right-of-way line and that if we didn't figure out a way to underground the electrical, not only could we not fire up our street lights on 97th Avenue, but we would have to tear out some of the recently completed improvements in the future to construct the electrical undergrounding. So you may recall I brought an ordinance forward for council to do a change order and we got that work done. I do want to clarify that for the

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new NE Everett Court connection, although that was not contemplated at the formation of the LID, I should say it wasn't in the baseline scope, the property owners along 97th are not paying for that improvement. That improvement is a shared partnership between PBOT contributing SDC funding and the developer of the apartments paying for the majority of the cost. However, all of the 97th avenue project property owners will benefit. So the analogy I would use is this is a buy one get one free. The propertied owners on 97th pay for their improvements on 97th and they also benefit from the new east-west street connection. Just moving on to the next slide, this is just what the project looked like before we started. Top left, lack of proper stormwater drainage on the street. Top center, parking along the I-205 multi-use path was on mud. We had some kind of a strand wire fence blocking people from the neighborhood to get over to use the I-205 path. Top upper right you can see the car break in along I-205 multi-use path. It was not an inviting place for people to come and think about living there or developing there. Bottom lefthand corner, those are tire tracks across mr. wiederhold's property. You can see there's no curbs, no traffic control, so people could just drive across somebody's property to go four wheeling on the I-205 multi-use path. We now have curbs to prevent that. And then the bottom right, you can see that price reduction on the property that was up for sale. That's what it looked like when we started the LID. Now that we're wrapping up, 46.6% of the LID is being funded by the Rose apartment development. The Rose apartment development also kicked in another \$140,500 in non-LID funding to help get the project going and to build NE Everest Court. In terms of the funding leverage, this is where the story is very dramatic, and this is where it got very mind numbingly complex. We have a \$526,000 LID. We leveraged \$1.2 million in non-LID funding. So for every dollar the property owner is contributing, they brought in \$2.32 in non-LID funding. So using a \$45,000 assessment, mr. wiederhold's property as an example, without this outside funding, that LID assessment would be \$106,313. So a very dramatic cost savings for the property owners. It was my distinct pleasure to be invited on December 18th at a groundbreaking for the Rose apartments, the first of what we believe will be many developments in the Gateway neighborhood. I had the privilege of listening to Metro Councilors Carletta Collette and Bob Stacey at that groundbreaking. I think everybody was excited to see private development finally coming to Gateway. Hopefully this is the first of many public and private partnerships in Gateway to leverage the significant transportation investments we've made not only for NE 97th Avenue, but the three MAX lines that have been constructed in area in the past 28 years. Last but not least, before I turn it over to property owner testimony, one of the private engineers with whom I worked on this project who had a lot of challenges during the design, after he wrapped up his work, he got hired by the city of Newberg and is now their city engineer. He likes the LID model and he's looking to replicate some things in Portland we have done in Newberg. And he's submitted some written testimony which I'll pass out to you. With that, I'm happy to turn it over to the property owners. We have two property owners here ready to speak, and I'm happy to answer any questions you might have. One other quick thing I forgot to mention, on the last slide, the bottom picture on that last slide of the aerial view -- I did not know this but when you construct a major development, the banks want to do a flyover and take pictures to make sure that their money is being spent the way it is supposed to. The bottom picture there on the last slide shows you the challenges of 97th avenue. It's got a freeway on one side, it's got two arterials on the other. You got Glisan on the right, Burnside on the left. Very difficult to get in and out of there. So that the new NE Everett connection will be very beneficial for circulation in the neighborhood. And then last but not least, that top righthand picture is a view of that private development in progress. They're pouring the foundation. So a block and a half away, there's private development is being built as well.

Hales: Great. Thank you. Questions? Let's hear from the property owners. Thanks for being here.

Moore-Love: We have Joe Westerman and Chuck Fuhrman.

Hales: Come on up. Good afternoon. Welcome.

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Joe Westerman: Mayor, Council. My name is Joe Westerman, and I would like to speak to you a little bit about Gateway. I'm a property owner in the Gateway area. I've been building apartments in the city of Portland for over 20 years. I own property next to the Gordon Jones project, the Rose apartments. The newly constructed Everett Court, which fronts the Rose apartment, went a long way with street system to solve street system issues that kept development in that vital area at a standstill. Gordon Jones' project is the first of hopefully a long line of modern high density housing to be developed in the Gateway area. The Gateway area as a whole is a wonderful area. I know I'm not telling you anything new. Close proximity to freeways, TriMet, light-rail, bike paths, a good supply of commercial property ready for development, and properly zoned property for lots of high density market rate and affordable housing. Gateway is right on the cusp, in my opinion, of becoming the next great Portland neighborhood. We need just a little attention from city council to address the street systems and the housing component will take off. The street plan calls for two street connections between Glisan and Burnside, and I feel, along with the opinion of other people, that one connection would be sufficient. An LID would be most appropriate way to build this future street. Many people in the neighborhood will support the LID, and this would remove the uncertainty of the area and how to pay for the street. A street needs to be built between Glisan and Burnside, and I think the whole area between east of I-205 and 102nd would take off with high density, high quality market rate and affordable housing. The housing that gets built in that area, in my opinion, will be there at least 100 years. There are many possibilities, but right now that area is at a standstill until the street systems are solved. When they are, all that land south of the NE Everett Court will start to get developed. I would be happy to work with the city to figure out location of the street. I know many of the owners, and have talked to most people in that area at one time or another. I'm happy to help find a way, the easiest way to build the street, the location and financing will eliminate uncertainty and cause development to just take off in that area. Thank you for your time.

Hales: Appreciate your testimony. Thank you very much.

Chuck Fuhman: My name is Chuck Fuhman, I'm the managing partner for Pacific Health facilities. We have a nursing home at 9750 NE Glisan Street. We acquired that property and built the facility in 1976, so we've been there about 38 years. I like to say that we are really encouraged with the efforts you all have made and what's been going on up there. We do not operate the home. We have an operator called Prestige Care. They're based in Vancouver, Washington. In the last year, because of all the improvements and what the future looks like up there, we've been in negotiations with Prestige to do some major things on our site. I can tell you this morning we have signed a letter of intent, and I think we will have an agreement before summer, in which Prestige will put more than \$10 million of improvements into the facility. We're going to be buying additional property and expanding it. So we feel the future is bright and very encouraged by what's going on up there. Thank you.

Hales: Good news. Appreciate it. Questions? Thank you both. So this actually comes back -- I don't think there's anyone else signed up to testify, right?

Moore-Love: No.

Hales: This comes back for second reading and roll call next week, but councilmembers might want to comment as we've got folks here. I just want to say I appreciate the good work here, Commissioner, and your bureau once again making one of these things feasible. Also to put this in a little larger context, which I think a couple of the property owners have illustrated for us, it takes first planning, and then a street plan, and then construction of the infrastructure to get things going in a district like this. I think there are going to be more opportunities. We've heard about some of them here. There's a rather large piece of property in the neighborhood that I understand is maybe changing hands soon. So again, we have a street plan that says there should be streets through that property, and at the moment, there aren't. So there's more work for Andrew to do, but if we keep

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this momentum going and get the street plan turned from a piece of paper that shows streets where today are not and build out the grid, then I think we'll see property owners responding as these folks have. So, thank you. Look forward to another hearing like this sometime soon.

Saltzman: I would like to thank Andrew again, for this. It's exciting to see the first green street in the Gateway area, and thank you Mr. Westerman and Mr. Fuhrman for sticking around until 12:45 this afternoon to add your comments. It's very exciting to think about the Gateway potential. We just acted on Glisan Commons but I think your comments about needing better access in certain parts of Gateway is gonna really unleash more housing development. That's great to hear. So thank you for sticking around to share that with us.

Fritz: Yes, thank you very much for taking the trouble to come in say you support it. That's rare, even if it wasn't quarter to 1:00. I was shocked, Commissioner Novick, when you said this is the first street improvement that we've done in Gateway. So it's really no wonder that it's been a stalled district and I think that we are showing now that we're ready to invest there. It's great there's more private investment coming along with that. It's going to need a partnership but I'm certainly up for the challenge.

Hales: Any other comments? We'll be back on this, second reading and roll call on this next week. So we have one item that was pulled.

Item 232.

Hales: Somebody wanted to speak on this. Is that right? Come on up.

Saltzman: Maybe I'll just explain what this does. This ordinance modifies the criteria under our section 108 revolving loan fund, which is a fund we use for affordable housing investments, to also include economic development activities that are closely associated with affordable housing developments. We currently have -- this is sort of a use it or lose it federal loan fund. We currently have a balance of about \$7.5 million. We put out a request for proposals, or in Housing Bureau parlance, notice of funds availability in January for this money and we have accepted a couple of proposals that are direct affordability housing investment. But it's my hope today that the council will adopt this ordinance to also include economic development activities that are closely associated with affordable housing that might give us the opportunity. And we will amend the notice of funds availability, might give us an opportunity to use this loan fund for other purposes that are, again, related to affordable housing.

Hales: Thank you. Please.

Joe Walsh: My name is Joe Walsh, I represent individuals for justice. This would almost be comical if it wasn't so disastrous. You're taking \$2.4 million out of a fund that was set up to help low income families. People that needed your help. Now you are telling me you got how much, \$7 million sitting there and your bureaus are now running around trying to get this? We have been yelling and screaming at you for years to do something about the people on the streets. You're telling me you got \$7 million that you could use but what you want to do with this \$2.4 million, Commissioner, is to build an office building? The Hacienda? Your first instinct on this, according to the Oregonian, was to say no, you can't do this. We have people on the streets. I'm not going to build you an office building. Then you went to the city attorney and apparently, from the article, unless it's totally wrong, the city attorney said something to you, you know what, Commissioner, you're right, don't do this, so you're passing it off to this council. You're saying let's change the rules. Well, I'm saying to you that you just got nailed by a judge for a \$1 million fine. You are under indictment by the federal government. You guys are messing around with money and the federal judge is telling you, the county judge is telling you, we've been telling you for years that you are acting in a corrupt manner and this is the highlight. It takes \$2.4 million and builds a new office building for a nonprofit that is supposed help the people that need it the most is outrageous. Just outrageous. It pisses me off. And excuse my French. Irish.

Hales: We won't excuse it very often, but next, please. Go ahead.

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Angela Hammit: Yes, my name is Angela Hammit and I have been trying to follow the money for the homeless for the past year or so. I hear money being doled out for these onetime monies, permanent money, this money, that money. And I haven't seen it yet. I haven't seen anything except for -- I haven't seen it affecting families needing homes. I've seen it affecting organizations with more jobs. I'm in a family shelter right now where we're kicked out on the street every single morning, 7:00 a.m., Monday through Friday, with nowhere to go. I'm watching these women tote three, four kids around. They're not in school yet. Monday through Friday, they are out on the street with their kids because they are being thrown out of shelters. Then the police are sweeping them off to wherever. Let's not build a new office building with this money. Let's put people in homes.

Hales: Thanks. Next?

Michael Withey: Mike Withey. So I understand that this is a federal loan program, not a grant program.

Hales: Correct.

Withey: So it's not city money going into more nonprofit corporations building buildings. I do understand that. And if it's a federal loan program, then we can't really say much about it. If they are borrowing money from the federal government and it's not costing the city and it's not taking away from the homeless, then I really don't see a problem with it. I say go ahead. Because it's not taking away. It's federal money and would go away unless they use it, and they are a nonprofit, and they're trying to help. What I do want to bring up, though, is that home first development, the founder of JOIN, co-founder Rob Justice, his wife's a county commissioner, they're building 500 units in the next years, low income units in the city of Portland. They were financed 10 million by PJC, the people that do the janitorial service for this buildings. They're not using any money. The rent is \$300 for a micro unit up to \$600 for a three bedroom unit. The land has already been purchased. The plans have already been drawn up. They have a case history in Roseburg they have already built. So as far as -- I believe that they had an appointment with you, Mr. Saltzman, and they asked to leverage that 10 million. I don't know where you've gone with that but if money is going to go -- they build units for \$70,000 per unit. That's half the cost of the lowest bid that we get from the city for low income units is twice that. And Bud Clark was \$280,000. So I believe we need to look into the innovative ideas from people from Portland that didn't have to steal from a different city because they made it themselves. Home first development is somebody we really need to look into. I actually asked for an appointment from your office to introduce you to those guys, and to some other folks who have some ideas on the ten-year plan to end homelessness. The second thing we've done is we have went to the Lents Neighborhood Association and presented our eco-community through home first and tech dwell. And they loved it. Actually Jesse, the president, the chair, put a vote to not just board members that were there but every person that attended the meeting, and it was unanimous we move forward with this first low income eco-community in Lents. Tech dwell is a local builder out of Hillsboro. We're going to develop these units and build them in Portland. We're going to have a shop up in north, probably St. John's, and one in the southeast. So we're going to put these folks that need work to work manufacturing them and building them. We also have a meeting with St. John's coming up. In the next meeting, we're going to present low income eco-communities and neighborhood support centers to them as well. What I really need you guys to do, especially you, Commissioner Saltzman, is realize that these guys are upset and a lot of people are upset because the ten-year plan to end homelessness was a miserable failure. It was a miserable failure because nonprofit corporations such as JOIN, TPI, Central City Concern, what they did was they took most of the money that was supposed go to low-income housing and they spent it on big buildings and they hired a lot of people. So a lot of that money did not go to where it should have gone, to actually building low-income housing. It went to developing these large corporations that have a nonprofit status behind them.

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Hales: Point taken. Thank you. And Commissioner Fish, did you have a question? OK. Thanks very much. Anyone else? Come on.

Fritz: I have a commitment at 1:00.

Hales: We gotta wrap this up, and try to make it very fast there, Charles.

Charles Johnson: The clock only says -- am I on the mic? OK, thank you. Charles Johnson. As you know, many of us who have just been before you are concerned about emergency ordinances. And I think that really considering the time and attention that Commissioner Fritz just gave to a \$35,000 issue, you can wait another week. To hear that there's \$7 million that is going to expire that y'all have not properly planned for is an embarrassment for the city and for you. Un-embarrass yourselves a little bit by waiting a week and getting some staff together and coming up with a plan on how you're going to maximize this instead of just loosening the reins a little bit so we can have more office space than residence space. So I ask you to not approve this as an emergency and get your stuff together and bring back some staff and figure out really how you're going to serve the city better with the \$7 million so that we won't have to get into litigation with somebody saying that you're mis-channeling the money if one of us takes this up in federal court. Thank you.

Hales: Thanks. Roll call.

Item 232 Roll.

Fritz: Thank you to Mr. Withey for putting the nutshell of what this is before the house today. And to Commissioner Fish for explaining it to me in plain English also yesterday. Thanks for your work, Commissioner Saltzman. Aye.

Fish: Dan, I'm going to share with you a folder that I keep in my office called no good deed goes unpunished. When our friends on the left mouth the same arguments of our critics on the right and blur the facts as aggressively as the testimony heretofore, it makes me somewhat more sober about the future for having a rational debate in our city. So let's be clear what he's doing and what he's not going doing. And what's doing today is showing leadership. And what he's doing is giving us flexibility to use money we're otherwise going to lose and to put it into a service that directly benefits affordable housing. In fact --

[shouting] Mayor, if you could call the order.

Hales: Come on, folks.

*****: We can't help it, we have ethics.

Hales: You can help it. You're going to be asked to leave. He needs to speak. You got to do that. He does to. No more, no more. Go ahead, Commissioner.

Fish: Commissioner Saltzman, in my view, is clarifying what was already inherent authority. We can argue whether it needs an amendment or clarification. That's not the point. He is providing flexibility so the city can use money it otherwise will lose. So it's an academic discussion. We either get it out the door into some use that benefits the community, or we lose it. The use that he is proposing is office space that benefits affordable housing. In every development that we fund, there is office space for services that are provided to low income people. And we fund it. And we have never in my five years had a single witness criticize us for doing that. Never. Because we understand that successful outcomes require services, and services require offices. And shame on us for -- at the 11th hour five years later -- blurring that line. The office space that Hacienda -- or anyone else who competes for this money might get -- has to serve affordable housing. That means job placement programs. That means services. That means food stamps. That means hunger. That means anything that low income populations need. And by the way, since Hacienda has been referenced, Hacienda is a nonprofit organization serving a largely Hispanic population in the poorest part of our city. And that meets our equity goals, and that meets many of our other goals if we assist them -- [shouting]

Hales: You need to leave. [shouting]

*****: And I'm leaving, you don't need to ask me to leave. [indistinguishable] I admire you talking to each other at all.

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Fish: We can have forums like this where people intentionally or unintentionally fill the record with utter nonsense, or we can have forums in a democracy where we actually debate the issue. And all this does is gives the city an extra tool to help support development that supports affordable housing for low income people in certain parts of our city. I have never heard an objection in this body since I have been here -- [shouting]

Hales: No. Go, go, go. Enough of this.

Walsh: You're all going to jail.

Hales: Joe, you're going to be having that problem. Go, Joe, you're wrong, go.

Walsh: Your attorney told you not to do it.

Hales: You're wrong. Could we get someone to help Mr. Walsh out of the chambers so we can finish our work? [shouting]

Walsh: I'll see you in jail.

Hales: OK. Have a nice trip. Go ahead.

Fish: A lot of drama, Mayor. [shouting] That's what happens when you have a four-hour hearing.

Hales: I guess so. The meds wore off.

Fish: I'll just conclude by saying, this is exactly what we should be doing to leverage scarce resources. If Hacienda successfully competes for it, this is a big win for low income families, particularly Hispanic families in Cully. And I actually am beginning to become concerned about the ability to have a rational discussion. And I thank the gentleman who remained who testified and clearly enunciated that this was not, as it has been mischaracterized by others. It is hard enough to have a debate about these issues on the facts. It becomes virtually impossible when people deliberately distort the facts. And again, I would say to my friends on the left, when your arguments are as rancid as the arguments we get on the right by people that disagree that government has a function in our community, something is fundamentally wrong with our democracy. I enthusiastically vote aye.

Saltzman: Well thank you for your support, colleagues. Again, this ordinance simply expands the uses of the funds that are available through the notice of funds availability or RFP. There is no application standing in front of us yet from Hacienda for its office building, although I understand there may be. But there is no commitment by passing this ordinance to that particular project. It simply expands and makes ultimate use of those funds. Aye.

Novick: Thank you, colleagues. I thought the ordinance explained the situation pretty simply and clearly. The Portland Housing Bureau is issued notice of funds availability for section 108 funds in both 2009 and 2014, due to the response of the most recent NOFA, it appears unlikely that all available section 108 funds will be used for affordable housing projects. So I think that spells out the situation we're in, and this is a reaction to that situation to ensure that the money just doesn't go unused. It seems imminently reasonable. Aye.

Hales: I don't think there's anything wrong with our democracy, I think there's always going to be a few loud people. Unfortunately they were here today this. Is doing the right thing. Thank you, both of you, for being housing leaders. And this is going to do a lot of good. Aye. [gavel pounded]
We're recessed until 2:00 p.m.

At 1:07 p.m., Council recessed.

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.

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Hales: Council will return to order please for our afternoon session. Would you call the roll, please, Karla.

Fritz: Here. **Novick:** Here. **Hales:** Here.

Hales: I think at least one of our colleagues is going to join us but we'll go ahead and proceed because we can with three of us. Let's take items -- do you want to take the two together, Commissioner Novick?

Novick: Yes, please.

Hales: OK. Let's read these both together.

Item 242. Item 243.

Hales: Mr. Novick.

Novick: Our topic today might be titled streetcar LIDs and sticker shock, or rather, efforts to avoid sticker shock. As you all know, the Portland streetcar is one of the tools that helps us achieve our land use and transportation goals, maintain a livable, vibrant city. A tool noted by economist Joe Cortright as one of the reasons that all of these brilliant young people flock to Portland, because we were the first to have the streetcar. The Portland streetcar loop extension opened in September of 2012, and expanded streetcar service from the westside to the eastside, linking the Lloyd district and the central eastside with the northwest and downtown. Development to streetcar loop required the participation of many stakeholders, federal small starts dollars, urban renewal funds, transportation system development charges, other state and federal grants, and two local improvement districts. These LIDs represent a key piece of the local match, totaling 15.5 million, about 10.5% of 148.3 million project. The complicated issue before us today is the assessment methodology for the LID assessment for -- let's see -- what do we call it again?

Kathryn Levine, Bureau of Transportation: Central eastside.

Novick: Central eastside. As opposed to Northrup. What happened was the LID assessment estimates that were sent to property owners in 2007, which were based on the real market values then current, are significantly different from what people would receive now if we based their assessments on their current real market value, because the real market values have shifted significantly. Sometimes market values increasing and sometimes decreasing. After analysis and outreach led by Portland Streetcar, Inc., which we'll hear from, the project team proposed that the current RMVs be adjusted to more equitably distribute the assessment in accordance with the special project benefits contemplated when the LID was formed in 2007. In other words, we decided it come up with some way to soften the impact on property owners that would otherwise have wound up paying a lot more than they expected and to ask the property owners whose real market values have gone down to pay something closer to what they would have paid in 2007 and somewhat more than what they would pay based on the strict assessment of real market value today. On February 6th, notice letters were mailed to property owners, and since then project team members have been meeting with stakeholders answering questions and providing information. And today's public hearing is the next step in moving towards final assessment of properties within the LIDs. There will be a brief staff introduction for each LID, then testimony from Portland Streetcar,

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Inc. and everyone who has added their name to the sign-up sheet. I will turn it over to Kathryn Levine and Chris Smith.

Levine: Good afternoon, I'm Kathryn Levine with Portland transportation.

Chris Smith: Chris Smith, a member of the PSI board.

Levine: We will do the Northrup LID hearing first. It's the smaller of the two, the \$550,000 LID. Chris has a brief presentation and after which I'd like to provide you with a quick overview of the LID before turning to testimony.

Smith: Good afternoon. Chris Smith, member of the planning and sustainability commission and also the Portland Streetcar, Inc. board. I was one of the ringleaders for this particular LID. Although I have to credit most of the leadership to my late colleague, Anne Niles, who was really the one who put her foot down and said if we're going to run streetcar to the eastside, it has to serve the north Pearl. The original design would have kept the streetcar on Lovejoy and not provided a station further north in the Pearl. As we know, there's lots of intended development still to come in the north Pearl. This extension also essentially future-proofed the streetcar, which is really why I got involved. It provides for a couple of movements that would not have been possible in the original design, including running through trains through my neighborhood in the northwest to the eastside. Would have been a considerable amount of out of direction travel to do that in the original design. It also allows for the possibility of a 10th and 11th street shuttle running from Market Street and Northrup Street and back, which during our crush loads in the afternoon may be a useful facility at some point. So I want to credit Anne for her vision and foresight in making this happen. I'll also point out that since about 18 months ago, streetcar has been the only transit service in the north Pearl since the 77 was moved by TriMet to the Everett-Glisan corridor. I'm also a property-owner in this LID, I have a rental property approximate to the Northrup loop and will personally be happy to pay my assessment into this. If you think about where this area is situated, it's really streetcar central. You can take a streetcar from this part of the neighborhood to 23rd, to OMSI, or south to PSU. So, it's the most connected place in the streetcar network and I think finding half a million dollars from property owners, which was matched by PDC by the way, is a pretty easy ask for all of the benefits derived by this.

Levine: Thank you. I'm wondering if we could -- I wanted to be able to show you a map of the LID area. So I'll just skip ahead. So, it stretches from NW Lovejoy to NW Quimby, both sides of 9th over to 14th. Specific improvements by the LID include the track way, the overhead electrification, the streetcar stop, traffic and train signals, utility and street work, as well as improvements to the Lovejoy-Northrup couplet and NW Marshall bicycle boulevard. As Chris indicated, the original improvements were estimated to cost 1.7 million, and three sources were brought together, project contingency, river district urban renewal funds, and this LID for \$550,000. Notices were mailed to property owners on February 6 to inform them of the proposed final assessment. Approximately 900 notices were sent. There were four written objections received, representing seven one-hundredth of a percent of the total LID. Each of these objections are more specifically summarized and addressed in Exhibit D. The objections to the assessment range from traffic and operation concerns to opposition to paying for a system that the particular resident does not use. The proposed final assessment on each of these properties is \$100. This is a one-time assessment, not an ongoing expense. The assessments are based on the special benefits received by the properties within the LID, now and in the future. And the completed streetcar capital improvements have increased transit access to each of these properties. After you've taken public testimony at the end of the hearing on the LID, I would ask council to add to the ordinance package by amendment the Exhibit D that has been handed out here today.

Hales: Great. Questions for Chris? Or Ms. Levine? Great. Thank you both.

Novick: Thank you.

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Hales: We will open the public hearing. Anyone signed up to speak? OK, sorry. One moment for logistics.

Moore-Love: I have four people on 243. And the first three please come on up.

Levine: Karla, may I ask that we hold the testimony until the second hearing?

Hales: One hearing at a time? OK, then we'll 242 first.

Levine: Thank you.

Hales: Anybody signed up on 242?

Moore-Love: No.

Hales: OK. Then we'll close the public hearing on 242. And why don't you explain 243 to us.

Levine: Great. The second hearing is for the Portland streetcar loop extension LID. And I will put up a map of that area as well. Portland Streetcar, Incorporated chair Jim Mark is here to speak with you. And there is a sign-up sheet for everyone who wishes to testify to council about the LID. After Mr. Mark speaks, I would like to provide you with a short overview of the LID and the objections to the proposed assessment.

Hales: OK. Welcome, Jim.

Jim Mark: My name is Jim Mark, I'm the chair of Portland Streetcar, Inc., 111 SW Columbia, Portland, Oregon. The Portland City Council approved the establishment of the local improvement district in 2007. The property owners from the eastside committed \$15 million to support the \$148 million streetcar project. As a result of this commitment, the state of Oregon awarded us a \$20 million grant, and PDC \$27 million toward the project, and the federal transit administration committed \$75 million to the eastside line. The project began construction in 2009. We opened the loop in September of 2012. The project was completed within the original budget. In fact, some federal funds may actually be returned as the final accounting is performed on the project. The CL loop, or the central loop as it's known, has been well received and is beginning to show the success projected for it. Ridership started at 3200 riders a day and has grown to over 6300 riders per day. Over 1000 units have been completed or under construction on the eastside. We are in preparation for the final step in completing the loop with opening of the light rail bridge in September 2015, thus connecting the streetcar loop between the east side and the west side. PSI has been working closely with the city of Portland in developing a modification approach for this assessment. The recommendation from the city to adjust real market values based upon a proportion of the 2007 data is an important accommodation to central east side property owners. I'd also like to add, as many of you know, I stepped in for Dick Cooley, who should have been chair of Portland Streetcar, Inc, and he passed away a couple of weeks ago. One of Dick's comments, and Rick reminded me, was, and I will sort of quote, this assessment on my property is less than one percent, and I predict the day that the streetcar is announced, my property value will grow by more than one percent. This is the best investment I can make for my property. Thank you.

Levine: The streetcar LID was formed in 2007. So there has been passage of time and some economic changes in the interim, and that plays into the issue regarding the assessments. Here is a map of the LID area. It stretches from N Tillamook and NE San Rafael down to SE Division, from 8th Avenue and NE 10th to First Avenue and the Willamette River. Specific improvements within the LID include track way, overhead electrification, streetcar stops, traffic and train signals, utility and street work, as well as improvements to the streetcar maintenance facility. The adopted methodology refers to real market value of properties, except that individual assessments will not be less than the rate of 60 cents per square foot of land area. Essentially that sets a minimum for the assessments. Properties in Zone A, that's the darker green directly on the line, 100%. Zone B, 50%. Properties in zones designated as industrial sanctuary, 67% of their zone. Properties and residential uses regardless of zoning are 50% of their zone. As mentioned, the assessment methodology refers to real market value of properties. Between the time the assessments were made -- estimates were made, excuse me -- in 2007, and the final proposed assessments in 2013, there was considerable

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change. I will be able to show you some data on that. After an analysis and outreach led by Portland Streetcar, Inc., project team proposed the current real market values be adjusted to more equitably distribute the assessment burden in accordance with the estimates done in 2007. Notices were mailed to property owners February 6th to inform them of the proposed final assessment amount on their property. Approximately 1100 notices were sent. There were 22 written objections received, they represent 4.4% of the LID total assessment. These objections are more specifically summarized and addressed in Exhibit D. The objections to the assessments cover a range of issues and concerns. There is objection to using a real market value methodology at all. Objections to higher assessments on newly-developed properties. The negative impact of the assessment on small business. There are requests for more time to review the adjustment. There are requests for exemptions and corrections, and more that you will hear about today. The staff recommendation reflects the summary of all of the objections as well as recommendations. The assessment is a one-time assessment, not an ongoing expense. The proposed final assessments are based on the special benefit received by the properties now and in the future. The completed streetcar capital improvements have increased transit costs, access to each of these properties. And at the time of final assessment with billing, the City Auditor's Office will offer five, 10, and 20 year financing to property owners. After you close the public hearing, I would ask council to add by amendment the Exhibit D, summary of objections and staff responses.

Hales: We didn't do this on the previous ordinance, but do we need to formally overrule the objections, or does simply bringing it forward for a second reading and vote automatically do that?

Levine: I believe if you add Exhibit D, the amendment, that includes the recommendation to overrule.

Hales: OK.

Levine: But then I would expect that as council, you would vote on that recommendation.

Hales: Right. We will. But we don't have to take a separate motion to overrule I don't think or do we? No, OK. It's implicit. All right. Got it. I have a question. I should know the answer to this but don't. And that is, so, you have this methodology that has the two zones closest to the line at 100% and farther away at 50% and then a second screen of what your zoning is.

Levine: That's correct.

Hales: So if that zoning is changed, which it might be in some cases by the council later this year in revising the comp plan, does the property owner have a change in the assessment, or is it locked down at this point based on the current zoning?

Levine: It's my understanding that the assessments are made at a point in time. And at this point in time, the zoning is what it is and that's what the assessment will be based on.

Hales: OK. All right. Good to know. Thank you.

Saltzman: Looking through some of the objections, there is an objection because a property owners' property is zoned open space, objection from a nonprofit housing corporation, because it's nonprofit. What -- we don't make any distinction between nonprofits or open space zones or anything like that?

Levine: The methodology did not include any exemptions based on the characteristics of the owner. So whether they're public, private, or non-profit, as a land owner, they still received an assessment. I believe in that case, the non-profit owns property that is housing related. So it has the housing designation, and the 50% discount.

Saltzman: Oh, so there is a 50% discount?

Levine: Right. So part of the methodology included the 50% properties and residential use regardless of zoning. 50% of the LID zoning -- or assessment. That's correct.

Saltzman: OK, thanks.

Fritz: So has the total amount of this LID increased since 2007?

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Levine: No, it was formed in 2007 for \$15 million. And the assessment is for approximately \$15 million. No more.

Fritz: So for some of the properties, the fair market value has gone up, and for some it went down? Or -- how does that balance out?

Levine: As you've noted, the \$15 million is spread across the properties within the LID, and approximately 44% of them are based on the land value, the minimum level. And about 56, over half, are assessed based on the real market value. If you look at those properties, I believe it is 19% saw an actual decrease, and 81% saw an increase. So, there was a shift among the properties of assessment.

Fritz: And how many of the properties benefited from the 30% offset?

Levine: I do not know that number but I can find out where it made a difference, numerically how many it affected. There were -- I suspect it's not a terribly large number, but I will find out. It was an attempt to blunt the highs and the lows of change.

Fritz: Thank you.

Hales: Other questions? Good. Thank you both.

Mark: Thank you very much.

Levine: Thank you.

Hales: And we do have folks signed up to testify on this, Karla?

Moore-Love: Yes, there four people. The first three please come on up.

Hales: Good afternoon and welcome.

Debbie Kitchin: OK. Thank you. Well, I'm Debbie Kitchin, I'm president of the Central Eastside Industrial Council. Thank you Mayor Hales and Commissioners for the opportunity to speak today. I'm here to request an extension of the first reading of the ordinance for the eastside streetcar loop LID. The central eastside council has been involved in the eastside streetcar alignment since its inception. Although there was a question at the time of the viability of the streetcar in the CEID, there was general support of alignment on MLK and Grand. To fund portions of that alignment, an LID was proposed. The LID would be limited to a cap of \$15 million, with funding based on assessments of real market properties from both the Lloyd district and the central eastside. The CEIC provided outreach during the formation of the LID, again, gaining general consensus to proceed with the LID. In 2007, property owners were shared the data showing the amount that would be paid based on real market value in 2007. Given the LID had a cap of 15 million, it was assumed that the final assessment would be essentially the same. This assumption was reasonable given appreciation in property value would span both districts, thus the share in the assessment would remain more or less the same. Unfortunately, this is not what has happened. Many property owners in the CEID had a substantial increase in their share of the assessment, while the Lloyd district had substantial decreases. How did this happen? CEID property owners did have some appreciated property value, as would be expected, some also had capital improvements. But the majority had no change in use nor did they improve the property. The change was not caused by normal market factors but rather caused by a few large institutional properties appealing their RMV with the county. The city of Portland recognized the shift in the total assessment to the central eastside, and your LID has a proposed modification that has been described here to the calculation of the real market value that includes accommodations for shifts up and down from the 2007 estimated assessments. We appreciate this proposed modification and believe it goes in the right direction. We are asking just for some more time so that our members can fully understand this more recent proposed modification. We have been contacted by a number of property owners, and so the CEIC scheduled meetings for the last two weeks and we were helped by Rick Gustafson from the Portland streetcar and city staff to come and help explain what was happening with the assessments. We also have a meeting scheduled for this Friday to continue the discussion. We realize there is a need to approve an assessment very soon. We understand that the city has a daily

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interest cost for financing this assessment. It is our intent to move as quickly as possible. And we will work directly with the Portland Streetcar, Inc., and the city of Portland staff to present minor modifications that we think will be acceptable to all parties. Thank you for consideration to postpone a vote at this time.

Hales: Thanks Debbie.

Fritz: How long do you think you would need?

Kitchin: I think -- I know they're working quickly.

*******:** Meeting this Friday [inaudible] -- we want to resolve this quickly.

Fritz: But not two months.

Kitchin: Not two or three months. I think we're talking under a month or something like that.

Novick: And I've talked to staff about this and I'll bring Kathryn up afterwards to sort of explain our parameters. I think staff's feeling was that we could extend for a week but it would be rather difficult to go beyond that. We understand you are having the meeting this Friday.

Kitchin: Yes.

Novick: So we thought it was important to give you that week but it might be difficult to go much beyond that.

Fritz: It's not an emergency ordinance, right? Are you saying two weeks from today?

Novick: To extend this hearing until next week --

Fritz: Oh, that's right --

Novick: So we postpone the process for a week.

Fritz: Right, because then you'd need to come back with a proposal. OK. I understand. Thank you.

Hales: Good. Thanks.

Bill Goman: Mayor and Council, thank you for your time. My name is Bill Goman, I am representing CEIC members. I'm the vice president of the CEIC board. I'm here to request an extension of the first reading as well, and would like to add some concerns that some of our CEIC members have put to me and I would like to add that to the record. I've been in meetings over the last two weeks with many of the members of the CEIC. They have been well attended and quite helpful to educate everyone as well as myself. But the property owners still have concerns and questions that we need to address. Two primary concerns have developed during the meetings that I would like to talk about. Many business owners will be required to take substantial increases in their portion of the LID. We've heard from members whose portion increased 700%. For a small property owner, this is an unreasonable hardship. To make it even worse, in some cases, the properties in question have not had any further development or improvements since 2007, and yet the LID increased dramatically. These small property owners are taking on a major increase and burden due to a dramatic drop for a few major property owners and institutions and they just don't feel that it's fair. Also, all members just want to understand the methodology of the formula for the allocation of the LID. What is the formula? How can I check the math? If the expectation is that I pay based on this invoice, I would like to see how we arrived at the figures. These are the concerns of the members. I'm asking for an extension of the first reading to allow our business and property owners to understand the methodology and to further explore a solution that is fair to all concerned. Thank you.

Hales: Thank you. All right.

Jim Morton: Jim Morton. We own the historic gardeners and ranchers association building at 1305 SE MLK which is by the east end of the Hawthorne Bridge. Back in 2007, I went to a meeting that the CEIC sponsored, I believe, with an explanation from the Portland Streetcar, Incorporated in regard to this LID and the methodology for the assessment. And to use Mr. Novick's words, there was sticker shock when I saw that my portion of the assessment was going to be \$21,600. However, there was some comfort in knowing that there was a \$15 million cap on the LID, and that \$21,600 really probably wasn't going to change a lot. The whole neighborhood was probably going to go up

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in value and along with the Lloyd district, and so I got used to that \$21,000. It seemed like a lot of money, but over the last seven years it's always been in the back of my mind. Until I got the letter which said that they reduced my assessment to only \$37,000. And thanks to the Portland streetcar for coming up, realizing that there was a big problem here, and moderating it -- it would have been \$43,000 otherwise, down to 37. But apparently, so I'm told, there has been a significant shift of the burden for this LID from the Lloyd district to the central eastside. Apparently one property in the Lloyd district, real market value being reduced by \$80 million. So, it seemed to be inequitable to me as a single property owner. And having gone to some of the CEIC meetings in the last couple of weeks, apparently there's some ideas kicking around which might have merit. And I would like to also request that a 30-day extension in this process.

Novick: Thank you.

Hales: Thank you very much. Thank you all three. Questions?

Saltzman: You both alluded to a large institutional property that had the RMD reduced, which property was it?

Morton: The one that comes to mind is the Rose Garden.

Saltzman: Oh, really.

Morton: And if I could further respond to that.

Saltzman: Sure.

Morton: The original idea with the LID was there would be a perceived benefit to property owners, and it's unlikely that that particular property owner's benefit has dramatically been reduced, and my benefit has been dramatically increased by say 71%. So, as far as the benefit aspect of the methodology, kind of a disconnect, I think.

Saltzman: So Debbie, you asked for 30 days. You asked for --

Kitchin: An extension. We did not have a specific request for extension. I think we were hoping for two weeks, two to four weeks, but we didn't have a specific --

Saltzman: Two to four weeks before we would --

Kitchen: Vote.

Saltzman: Vote on this. So, from today.

Kitchin: Well, continue -- we would want to be able to come back with a proposal, and so then it couldn't be the second hearing. It would have to be an extension of the first hearing.

Saltzman: Alright. OK.

Hales: We will get Kathryn up and look at the mechanics of that. I understand the desire and we'll see what we can do.

Fritz: Where there other large institutions apart from what's now the Moda Center?

Kitchin: I don't have that information.

Morton: There may have been. There was some passing reference in general, but -- and in fairness to the Lloyd district, apparently there were folks and small property owners in the Lloyd district whose assessment has also gone up kind of unexpectedly. But apparently there's some big significant ones that changed the whole mix.

Novick: And of course, I mean, as you know, we don't control that process. People at the county, and [Hales and Novick speaking simultaneously]

Hales: Alright.

Morton: True. You control the methodology, however.

Fritz: Right.

Hales: That's right. So that's where we get to weigh in here.

Morton: You know, what's the original intent and is that intent still valid.

Hales: OK, thank you. Appreciate that. Do we have some others as well?

Moore-Love: The last person who signed up was Valeria Ramirez.

Hales: Good afternoon.

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Valeria Ramirez: Good afternoon, Mayor, Commissioners. My name is Valeria Ramirez, I'm the chief operating officer for Portland Opera. Our building is located at 211 SE Caruthers Street, and our property -- we have two parcels. It lies directly south of OMSI and to the immediate south of the new transit hub, which lies between old and new Water Street -- Avenue. I've also served on the Portland Milwaukie lightrail citizens advisory committee since 2007. Portland opera has been and remains a strong supporter of the PLMR project, as well as the eastside streetcar extension, relocation of Water Avenue and related projects. I am here to express Portland Opera's concern regarding the timing of the notice of proposed final assessment dated February 6, 2014. Unfortunately for the opera, this notice arrived during the recent snowstorm that impacted our production of Lucia at the Keller Auditorium, which resulted in about \$80,000 in refunds, credits, and lost opportunity. The \$40,000 in LID assessments, which were not included in the current budget, only add to additional contributions that must be secured in a tough financial year for the opera and for performing arts groups in general. An unbudgeted bill of \$40,000 is no small thing for Portland Opera. To qualify for future grants from our largest funder, we must break even in the current year, or be disqualified for funding of any kind by that funder the following year. So we have to wait it out about a year or longer. Receiving this notice more than halfway through our fiscal year adds pressure on the organization at a time when we are focused on our 50th anniversary season which begins next fall. While financing the assessments may be available, this does not change when the expense must be booked, which I understand is likely to be before July 1st. Given the late notice of pending final assessment and the lack of ongoing communication regarding this matter, on behalf of Portland Opera and other property owners in similar situations including the Oregon Ballet Theater, we have requested that the city council consider delaying the final assessments for the eastside loop until at least July 1st of this year. Thank you for your consideration.

Hales: Thank you very much. Questions? I'm sorry, go ahead.

Saltzman: Well, I guess, I'm not an accountant, not even an expert in business matters like you are here, but -- so you're saying the key for your grant is when you book it as opposed to --

Ramirez: If we don't break even this year, then --

Saltzman: This fiscal year, July 1st type of thing?

Ramirez: Yes, July 1st, June 30th. So the difference between June 30th and July 1st is huge for us. And we know that we are not alone in this.

Saltzman: If you can book it after July 1st --

Ramirez: On July 1st.

Saltzman: Or even on July 1st. That makes a difference.

Ramirez: Yeah.

Saltzman: OK. Thanks.

Hales: OK. All right. Kathryn, I know we have questions. Come on back up.

Novick: Kathryn, in addition to addressing what the problems would be with a significant extension of time, I just want to clarify something. In 2007, I think people were told two things. Here's the estimate of what you would pay, but also what you pay is based on real market value. So, people were informed of that at the time, right?

Levine: That's correct. The adopted methodology states that it will be based on the relation to your real market value at the time of assessment.

Novick: In an effort to be fair here, if we decided to try to keep everybody's assessment as exactly as it was in 2007, just as people are now complaining that the assessment is larger than it should be based on the estimate, if we tried to keep it exactly as it was as of 2007, then people whose real market value has gone down, would complain that, well, we were told it was based on real market value. So we're trying to balance two different promises here.

Levine: That's correct.

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Hales: So, elaborate a little bit more on the timing question. It sounds like there were some constructive conversations underway at the Central Eastside Industrial Council. You're working hard to inform people. They're discussing this among themselves as peers. What's the problem with a little more time in the process?

Levine: We would like an opportunity to continue meeting. As mentioned, there is another meeting scheduled for this Friday. I think it would be helpful to be reporting back to council next week on the status of those discussions and any progress made. At the last meeting, there were a number of ideas brought forth, and the project team is looking at those requests. We hope to have answers back by Friday.

Hales: So, one option is just to continue the hearing?

Levine: That's correct. If the hearing was continued into next week, we would be able to return to you with an update. The constraints on a long-term extension are simply that the improvements have been built. The city has expended the funds by charging a line of credit. And at some point, we need to collect the assessment in order to pay that. There are financing costs every day that we have a delay. So, my understanding is that both treasury and the auditor's office are also working towards a bond sale. And ideally, they would like to include the assessments that are financed in the bond sale later this summer. There's a scheduling challenge there.

Saltzman: When would the assessment take effect? If we were to vote on it next week, when would the assessment be due by property owners?

Levine: In working through the schedule with the auditor's office, my understanding is, for example, in the Northrup LID, if the hearing closes today, you do the second reading and vote on the 19th. They would plan to have billings mailed on Friday the 21st. With the billings would be information about financing. They would be looking for responses from property owners by April 21st, either selecting financing or making a lump sum payments.

Hales: To the particular situation of the opera, is there any way that we can offer at least some property owners a delay, perhaps in exchange for bearing a little interest cost or something? Because I understand this mandate that actually a number of our arts organizations are under from, I think it's the Miller foundation that says, you break even, you get a major grant. And they have to plan on that basis. They're kind of a unique animal even among the various kinds of property owners for profit and non-profit subject to the assessment. Any creative ideas for how we might be able to stagger billings or otherwise be able to accommodate a few property owners who are interested in a delay, but understand it might cost them a little bit in terms of interest costs, but get them into a different fiscal year?

Levine: I've asked the question of the city financial folks, and, again, I'm looking for an answer before our meeting on Friday.

Hales: OK.

Levine: That was certainly one of the issues raised at last week's meeting.

Fritz: I would be interested to know what is the line of credit interest for the whole package to delay it until July 1st, rather than doing it now.

Hales: Yeah, we know our bond staff always want to get that last margin of --

Fritz: Right. So I just want to know what that number is to weigh the options.

Levine: At a bureau level, we estimated it is a little under \$500 a day for the financing costs. That's the estimate that I've seen. And that is a cost that accrues to the project. It becomes a project expense.

Novick: I apologize colleagues, I should have had treasury here to talk about their concerns about the time line of the bond sale but we'll get them to talk to everybody before next week.

Hales: Alright.

Saltzman: That \$500 a day aggregate total of our financing costs, as you understand it?

Levine: As I understand it, our cost is approximately \$500 a day, estimated.

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Fritz: We know how much bond sales are going to be for, because it's the \$15 million, right?

Levine: No. I understand it, the auditor's office looks to see who selects financing to identify the specific amount.

Fritz: I see.

Levine: And the specific amount is then brought forward. That is the way it has been explained to me.

Hales: Oh, OK. Now I get it. All right. Well, it's really important if these discussions are happening and it is happening in a collaborative way between the city and PSI and property owners, we want to enable that up to a reasonable point, I think. And also because there is unusual situation here of people's assessments having changed pretty significantly, it's pretty important that this be fair and perceived to be fair. So that's why I want to try to support that dialogue. At least for a while. So, I certainly am interested in continuing this. I will see if that is the sense of the council.

Fritz: I agree with that. I would like a little more information on the institutional properties and why their assessment has gone down so much and whether that needs to be taken into account. They were presumably counting on a particular -- or a ballpark number back in 2007. So it seems like there should be some adjustment to that as well as reshuffling within the other properties. Because I think it would be a reasonable assumption for folks to say, well, yes, my real market value might go up or down. But so will everybody else's, unless I do major changes on my property.

Levine: We can provide that.

Novick: On the other hand, for all we know, those institutional property owners as of that time were just coming to the conclusion that their properties were wildly overvalued and planning on bringing a challenge to the county in which they were counting on succeeding.

Fritz: Yeah, I would like to know more information about when that changed and why.

Hales: We will give you a chance to report back on that as well. So, maybe before we take action on continuing this item, we ought to take a motion to add the Exhibit D memorandum to the ordinance?

Levine: To the Northrup package?

Hales: Yes.

Saltzman: Make that motion.

Novick: Second.

Hales: Roll call on the amendment please.

Roll on motion to replace Exhibit D, Summary of Objections.

Fritz: Aye. **Saltzman:** Aye. **Novick:** Aye. **Hales:** Aye.

Hales: Now, is there any need to delay the Northrup package?

Levine: No.

Hales: So that one can return for second reading next week.

Levine: That's correct.

Hales: That's what we'll have in that case and then we will continue the central eastside package, but have you report back to council next week.

Levine: Yes.

Hales: Next week not too soon?

Levine: I believe if we're meeting on Friday, we should be able to report back to you.

Fritz: Would we have another hearing --

Hales: We can continue the hearing. That's probably the way we would do this procedurally, right?

Fritz: I'm just wondering whether a week is enough for the central eastside folks to be able to contact people.

Levine: We will be responding to the questions that were raised and the meeting announcements were provided by CEIC at the time with an indication that we could meet every Friday. We actually began meeting -- we met last Friday, we will meet again this Friday.

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Fritz: They also referenced a meeting the following Friday, which would be after -- if we have another hearing next week, we continue this hearing next week. That only gives one meeting to come to consensus. I appreciate that deadlines are always helpful, but that might be a little swift.

Novick: Commissioner, I think what we could do -- we will get some additional feedback based on the Friday meeting and also we will talk to treasury and have them come around to our offices and explain whether they think there's a significant difference to move ahead after one week or two weeks or what have you.

Hales: So you are going to continue it for a week --

Novick: Continue it for a week and we can re-evaluate based on the information we have gotten in that intervening week.

Hales: No certainty we will act in the next hearing, but it will continue on to the regular council calendar next week then. Meanwhile, if there is not enough information or not enough time, we can continue it again.

Fritz: Right.

Hales: Does that work?

Fritz: Or if, based on the discussion Friday and follow-up with the community, we could let the commissioner know that there's not consensus to move forward next week and delay it another week.

Novick: I don't know if it's simply a matter of consensus within the community. Again, I want to hear from treasury about their concerns about their bond sale. So, what we will do is report back as to what the results of the conversations are with the central eastside and report back as to treasury's concerns, then we collectively decide next week where we go from there. Hopefully we have reached consensus. If we have not, we figure out what to do with the absence of consensus.

Fritz: And we'll hear from the community again next week, then.

Hales: It might be more consensus, and not universal. I don't think there has been a streetcar LID yet which we didn't make a couple of people wealthier over their objections, but this may be a first. We appreciate what you are doing with the CEIC to try broker some understanding here. We want to enable that. I think there is agreement about that.

Fritz: I'm just wondering, are there any time certain left in the morning?

Moore-Love: We're up to 10:45 already, and that is 30 minutes. And we are not having the afternoon because of the evening hearing, so, unless --

Hales: So maybe we will just have it -- it will be late on the calendar on Wednesday morning then.

Moore-Love: Wednesday morning's regular agenda next week.

Hales: Sorry about that.

Saltzman: Hold on a second. I'm a little concerned given that we, just this morning, we had people from Gateway who waited until 12:45 to testify on a LID proposal. I don't want to do this to -- I want a time certain. If we have to bump somebody.

Moore-Love: Do you want to do a 2:00 p.m., a real quick 2:00 p.m.?

Hales: No.

Moore-Love: So --

Saltzman: Not if we're doing an evening budget hearing.

Moore-Love: So, I've got financial audit from the auditor's office at 9:30. Building equity and construction from the mayor's office at 10:00, and then I have Commissioner Fritz's Colwood property acquisition. If you'd want to bump one of those.

Hales: Why don't we delay the building equity and construction item a week.

Moore-Love: OK, so move Kathryn's items?

Hales: And give this the 10:00 a.m. time certain.

Moore-Love: OK.

Hales: Unless that's going to create a catastrophe in my office, we'll plan on that.

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Fritz: They'll tell you later.

Hales: Yeah, I'll find out about it soon enough. OK, so we'll continue this one week to a 10:00 a.m. time certain next week. Thank you all. Now before we adjourn we have one bit of council housekeeping business, which is the ordinance requires that if we are going to have an evening hearing next Wednesday, that we have to act on that. Commissioner Fritz, would you like to make that motion?

Fritz: I would. So I move that we waive the two weeks' notice and just give one week's notice that we hold our afternoon hearing next week at 6:00 p.m. at Parkrose High School for the purpose of discussion of the utility rates.

Hales: So I hear a second?

Saltzman: Second.

Hales: Anyone want to speak on item? Then we'll take a roll call, please.

Roll on motion to have the two weeks' notice and give one week's notice to hold a March 19, 2013 evening hearing [6:30 p.m.] at Parkrose High School to discuss Utility Rates.

Fritz: Aye. **Saltzman:** Aye. **Novick:** Aye. **Hales:** Aye.

Hales: Thank you for reminding us of the rules, and we're adjourned.

At 2:50 p.m., Council adjourned.